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U. S. SECURITIES GOVERNMENT FINANCE AND FEDERAL RESERVE SYSTEM

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The Growing Trade Balance.

THE complete figures for the country's foreign trade in February show a credit balance running far over the preliminary estimate and reaching the astonishing total of $173,604,366. Exports were $124,807,612 above and imports $23,921,385 below the corresponding figures for February, 1914. The belated movement of cotton and the heavy exports of wheat were the chief factors in the showing, but war supplies were prominent. The cotton and wheat movement is now declining, but war supplies are growing in importance, with sales in some lines only limited by available vessels and the ability of manufacturers to fill orders. This is true of barbed wire and ammunition.

The Exchange Situation.

The one-sided character of this trade is perplexing the bankers on both sides of the ocean to know how settlements shall be made. Ordinarily, gold would come, and it has been coming in what at other times would be called a notable movement, imports from all sources being over $43,000,000 since January 1st. But this, together with the American securities returned, American indebtedness liquidated, interest and dividend payments and all the incidental and unseen charges and remittances that are constantly accruing against the United States, has not been enough to hold foreign exchange in New York up to normal figures. The pound sterling has made a new low record at $4.78⅛, or about 1.2 per cent. below normal. This may not seem to the reader a large difference for these disjointed times, but it is a very large discount for the pound sterling to take. Even this rate of exchange would scarcely permit of a movement of gold from London under present shipping conditions which are reviewed more particularly below, but it has afforded a profit on shipments from the Bank of England's stock at Ottawa. The Bank has continued to pay gold there at a rate equivalent to $4.8137; that is to say, it will receive drafts on London and give the gold equivalent of $4.8137. As we have previously explained, the Bank holds that it is under no obligation to maintain a reserve at Ottawa, and the rate fixed there is intended to give itself the benefit of shipping charges between London and New York.

How much gold the Bank has at Ottawa has never been published; the total movement to Canada from New York from August to December was about $76,000,000, but part of it represented a withdrawal of Canadian bank balances. The withdrawals from Ottawa have now reached about $30,000,000, and unless other arrangements for supporting London exchange in New York are made, the stock there will probably be exhausted at an early day.

The London rate would unquestionably have fallen lower but for a general belief that action would soon be taken to sustain it by creating credits in New York. Some way, it has been assumed, would be found to pay for the heavy purchases that are being made in this country without having their cost increased by abnormal discounts on exchange.

More Gold Not Needed Here.

The English financial writers and government officials all claim that the Bank of England is doing business as usual on a free gold basis, making no objections to payments of the metal, and it is a fact that considerable payments in gold are constantly being made. It is, however, impracticable to ship gold over seas in considerable amounts. The balance of trade is now favorable to Argentina as a result of wheat shipments, and under normal conditions gold would be moving to Buenos Aires. Instead of that, the Bank of England is "ear marking" gold in its vaults for the Argentine government. From March 8th to March 20th $11,100,000 had been thus set aside, and a leading newspaper of Buenos Aires discussing the situation has proposed that certificates having the endorsement of the British Treasury be issued against it, and that these certificates be made lawful in the gold reserve against Argentine paper money. Argentina also has an important amount of gold "ear marked" in New York which it has been unable to move under existing shipping conditions. Even if there was no difficulty in transporting gold, this country does not need more at this time. We have no use for gold except for bank reserves, and these are ample already for all the business there is in sight. When the Federal Reserve Act went into effect, it released at one stroke bank reserves amounting in the aggregate to five times the greatest net imports of gold in any one year of our history.

It has been suggested that by acquiring more gold we might finance South America and other new regions where opportunities exist. It is desirable to do this financing, and it is being done. But it must be remembered that in order that such loans

be made the public must subscribe for the securities, and our people are not yet accustomed to investing their money in foreign lands. Bankers may negotiate for them and buy them, but they cannot load themselves up with securities that have no public market.

Our Own and Other Securities.

It would simplify the situation if Europe would sell our securities just fast enough to relieve the situation comfortably, and no faster, but they do not sell freely. This does not signify that they prefer our securities to their own, for as yet they have taken all the war loans promptly, and at surprisingly low rates. How they have been able to do it without selling on a more liberal scale is not quite clear, but the fact is that as yet they have had no occasion to borrow in this market except to enable them to make purchases and payments here. All the belligerents can borrow more cheaply at home, and the chief obstacle to negotiations for loans here has been the fact that rates which are necessary to make a foreign loan go in this market will look high in comparison with the rates at home. All the governments, however, that are buying here are practically compelled to borrow here, and almost every country in Europe has negotiations pending. Norwegian, Swedish, Swiss and German notes have been publicly offered, and others no doubt will be at an early day. Treasury notes for comparatively short terms are the obligations believed to be best suited for this market.

The European loans in all cases have been made for the express purpose of facilitating purchases in this country. The purchases are making work for American factories and wage-earners at a time when it is very much needed.

Effects of the Trade Balance.

The question is naturally asked what will be the probable effect of the enormous trade balance now accruing; does it mean prosperity for the United States? In our experience we have had several notable instances of prosperity following a big crop and heavy exports, but trade balances do not always have the same significance. Upon the occasions named, world-wide conditions were practically normal, and now they are disturbed by the great war. In the other years the prosperity of the farmers gave the initial impetus for a new period of expansion; this time while the grain farmers are prosperous the cotton growers have not had an average return. Moreover, the prosperity of those other years was in great degree due to the fact that foreigners, seeing that conditions here were promising, made large investments in this country which involved construction and gave employment to labor.

The present abnormal balance is due in large part to an uneven and disturbed trade, and care must be taken not unduly to magnify particular features which are sensational at first view. Thus the heavy flow of exports in recent months is due in part to the fact that the movement was dammed up last Fall, in the season when it is normally heaviest. Throughout the Fall, business in the South was depressed and collections at a standstill because cotton could not be sold, and now that cotton exports are running higher than they ever did before at this season of the year, we must not imagine that the excess is all "velvet." However the rest of the country may be misled in this aspect, the South is not likely to forget that the cotton crop of 1914 will bring several hundred millions less money than the preceding one. Notwithstanding the heavy exports of recent months, the total value of all exports for the eight months ended February 28, 1915, was $71,791,483 less than for the same months of the preceding fiscal year. From the month of March on, this year will doubtless show good gains over last, but an analysis of this trade will be of assistance in judging of its influence.

Character of Trade.

The imports and exports for the month of January, 1915, which is the latest month for which details are available, and for the same month of 1914, as classified by the Department of Commerce, were as follows:

IMPORTS

Free and dutiable:	1914	1915
Crude materials for use in manufacturing	$ 51,686,621	$ 38,129,861
Foodstuffs in crude condition, and food animals	21,285,148	17,269,671
Foodstuffs partly or wholly mfd.	15,711,245	15,835,656
Manufactures for further use in manufacturing	25,219,521	20,485,204
Manufactures ready for consumption	38,994,973	29,098,312
Miscellaneous	1,845,415	1,553,613
Total Imports of Merchandise	$154,742,923	$122,372,317

EXPORTS

Domestic:	1914	1915
Crude materials for use in manufacturing	$ 80,781,807	$ 68,622,400
Foodstuffs in crude condition, and food animals	9,085,370	49,798,768
Foodstuffs partly or wholly mfd.	29,179,696	41,143,468
Manufactures for further use in manufacturing	29,537,534	30,130,946
Manufactures ready for consumption	52,415,369	64,038,743
Miscellaneous	609,230	9,901,867
Total Domestic	$201,609,006	$263,636,192

It will be seen that the largest decline in imports of any class is in materials for use in manufacturing; also the largest decline in exports is in the same class, the two together reflecting the depressed state of manufacturing at home and abroad.

The gain in the exports of foodstuffs means prosperity among the grain and live stock farmers, and that prosperity is the most promising assurance we have. The gain in exports of manufactures is mainly in war supplies, which, while giving employment to particular works, does not signify the wide-spread employment and prosperity that would exist if the same works were busy on goods for consumption in the peaceful industries of the United States. For instance, it would mean more for general prosperity if the mills were running on barbed wire for fencing new farms, and on steel for

bridges, railway cars and buildings, than it does to have them employed on wire for entanglements and on shrapnel.

Securities in Payment.

Nevertheless, a large balance is now being accumulated. What will it do for us? For reasons elsewhere stated, it must be taken largely in securities, and the income from these securities will belong to us in the future. We will be acquiring the titles to certain property, and the former owners will be blowing the proceeds away. This is not as promising for new business, or for the general employment of all the people, as if we were building new properties. Will we be building new properties at the same time? That is the vital question. Is this a favorable time for an era of construction in the United States, such for instance as followed the resumption of specie payments in 1879, or the definite establishment of the gold standard in 1896 and 1900? The industry and trade of the world is disorganized by war. Some of our best customers are not in position to buy, or at least to increase their trade upon normal lines. There is a great demand for war material, but we cannot plan for the future on that. There are opportunities to build up new trade relations, but this requires time, patience and labor, and unfortunately the strong organizations that are doing this most successfully are being prosecuted by the government in a vigorous attempt to break them up into fragments.

Conditions Unfavorable to Construction.

Of course nobody is able to forecast all the effects of the war, and this is a great restraining influence. Nobody knows how long it will last, but so long as it lasts there will be a great outpouring of government securities for the public to buy, and at the same time a great decrease in the production of wealth. It is quite possible that after the war is ended the recuperative powers of these nations will prove to be much greater than is now realized; when we remember that the debt of the United Kingdom at the close of the Napoleonic wars was greater than it was at the beginning of this war, and consider how enormously great is the productive capacity of the modern community, we are inclined to think that this will be the case; but at all events there is now a constant creation of government securities, and until they are absorbed and paid for, they must compete in the markets with all other applications for capital. In other years, London, Paris, Berlin, Hamburg, Amsterdam, Antwerp, Brussels and other cities that might be named have been centers of activity in the promotion of new enterprises all over the world. They were constantly getting together the capital to build railways, port works, water works, electrical plants, and to open mines, plantations and establishments of various kinds, all of which meant expenditures for equipment and labor. Now these markets are closed to such financing, and they are bound to sell rather than buy such securities. While our securities have not been coming from Europe in any sensational way, there is a moderate movement all the time. Choice old bonds, secured by underlying mortgages, such as are seldom seen in the market, are coming out of the strong boxes. These conditions are not favorable to raising capital for new undertakings. Why manufacture new securities for markets already gorged? If Europe offers our bonds and stocks in volume sufficient to hold prices around present levels, will not investors prefer to buy old and seasoned securities and government obligations rather than go into new enterprises in unsettled times?

In every notable era of expansion this country has ever had, the work done by the railroads has been the leading factor, but the railroads are not in position to make heavy expenditures at this time. The cost of raising capital is too high, and the status of private capital in railways is too unsettled for new development in this line.

As a result of all these conditions and others which need not be mentioned here, there are practically no offerings at this time of securities that represent new work, and few new enterprises are being inaugurated; and so it is that many people are out of work, and numerous works that a few years ago were busy in turning out construction materials are now free to take contracts for shrapnel. They have their income now from the proceeds of war bonds instead of from the proceeds of industrial issues.

The Encouraging Factors.

These are some of the considerations that must be taken into account in determining the probable effects of the trade balance, but there are others more encouraging. This balance has relieved us from the menace of further demands for gold, which might take the foundation out from under our domestic credit situation. It gives assurance against a repetition of the experiences of last August, and enables us to go on with business at home with a sense of security. The inauguration of the Federal Reserve System is another factor of safety.

When it is understood that there is no danger of a breakdown in the credit organization, confidence in the future of business will be very much strengthened. The country has not yet fully recovered from the shock that it received in August, and as its effects wear off conditions will be more normal. There is a great amount of new capital available every year for local investment, and it must be remembered that this country is more nearly independent, economically, than any other. If there is any country in the world that at this time may adopt for its motto "Business as Usual," that country is the United States. The goods that we export, for the most part, are such as other peoples must have. When the war broke out, our principal problem was how to market the cotton crop, and now it has been demonstrated that war or no war the world will take a great deal of cotton. The demand for other agricultural products is increased by the war, and when the farming community is prosperous there is usually good business in this country. The time will soon be here when the crops will be the largest single factor in the situation. Without indulging in ex-

travagant expectations of what a record-breaking trade balance will do, if crop conditions are satisfactory, business should soon be much better than it is now.

General Business Conditions.

Reports from the industries and from trade centers are of varying tenor, but a hopeful tone predominates. Bank clearings, railway earnings and offerings of commercial paper indicate little change in the situation, and the bituminous coal trade, which closely reflects industrial activity, makes a similar showing.

The steel industry is operating at a higher percentage of capacity than at any time within the last six months, but foreign business is a considerable factor. While the prices of some finished products have been advanced, pig iron has sold at lowest prices touched in several years. Considerable sales could be made abroad but for high freight rates. British costs are higher and British exports in February were only 45 per cent. of those of that month in 1914. The United States Steel Corporation has issued its report for the year 1914, which shows a falling off in tonnage of 27 per cent. from 1913. The American Iron and Steel Institute reports total output of steel rails in 1914 to have been 1,945,950 tons against 3,502,780 in 1913.

The textile industries are moderately active but not doing so well as might be expected considering the extent to which foreign competitors are crippled by the war. The British woolen industries are fully occupied at home and continental competitors both in woolen and cotton goods are practically eliminated not only from this field but from neutral markets. February was the first month since the war began in which the mills of this country consumed more cotton than they did in the same month of the previous year, and even in this month the excess was in the southern states. Spinners have not believed the rise in cotton would prove permanent and have had difficulty in advancing the price of cotton goods to correspond with the course of the raw material. The home trade has bought in piecemeal fashion, but higher prices are being established. The reports from the export trade are better, and a feature of this is an unusual demand from Canada. The woolen mills have had a good many foreign army orders, but they would be glad to see more business in sight.

The shoe business has suffered as much as any of the staple lines of trade. Apparently people are able to economize in shoes when they want to. The usual Easter business has been light, and retail distribution is said to be very much below normal.

The most notable thing in the entire business situation has been the change in the position of cotton since last September. Following the first few weeks immediately following the opening of the New York Cotton Exchange, the price of cotton has been well maintained and gradually advanced. Southern spot markets are from 8¾ to above 9 cents per pound. Throughout this time the speculative element has sustained and led the market. The fall options at New York are now above 10 cents, indicating confidence that supply and consumption will be more evenly balanced next year.

The acreage in winter wheat is about 12½ per cent. greater than last year and reports from the crop are very favorable. The acreage in spring wheat will also be considerably increased, the ground is full of moisture, and if weather conditions continue good the total wheat crop should exceed even the phenomenal yield of last year.

The War at a Critical Stage.

As the weather becomes settled the war activities are expected to become more intense. Italy apparently intends to improve the opportunity to recover the provinces lost years ago to Austria, and if it should resolve upon war it is probable that all the Balkans will conclude that they also must participate, in order to be in at the settlement.

The countries now engaged are making every possible preparation for the spring campaign. The lines are so extended that it is important to bring every available man up to support them, and more important even than men is equipment and munitions. The experience of this war has emphasized the saying of Bonaparte that Providence is on the side of the heaviest artillery. The decisive work is being done by overwhelming artillery fire. The British commander in France is quoted as appealing for "ammunition, ammunition, always more ammunition!"

Lloyd-George in a speech upon the labor question a few days ago said: "This war is not going to be fought mainly upon the battlefields of Poland and Belgium; it is going to be fought in the workshops of France and England." In other words it is a war of machinists, and the outcome will be settled by machine shop capacity.

Not only in the warring countries, including Japan, but in the British colonies and in the neutral countries there is enormous activity in the manufacture of war supplies. The machine shops that can make tools for making guns and shrapnel are running night and day. The British government has been authorized by Act of Parliament to take over all factories and works that can be utilized for making war supplies.

Labor Troubles in England.

Whether the labor organizations of England are more independent and aggressive, or because they have been less impressed by the war, or have less loyalty to the government, or because the government has done less to control economic conditions—whatever the cause may be—there has been more trouble in England with the labor organizations over wages and working conditions than in any other country. The government has been much embarrassed by their attitude.

This trouble began with a call that something be done to reduce the cost of living, which competent authorities seem to agree has increased some twenty or thirty per cent since the outbreak of the war. No doubt the government would have been glad to comply if it had known how, but there was nothing in sight to do short of buying food and

selling it out below cost, a plan which in view of all other demands upon the Treasury, it naturally hesitated to adopt. England gets most of its food from over seas, much of it from Holland and Denmark, with which communication has been difficult, and the rise in wheat has been world-wide. The truth is that at no time has the price of bread been as high in London as in New York. The London loaf of four pounds weight rose to eight pence, or four cents per pound, while the all year round price of New York loaves, ranging from twelve to fourteen ounces, is five cents. The Prime Minister urged that by June, the situation probably would right itself by the operations of economic law, but he was reminded that the government itself had "thrown economic law on the scrap heap when it became a question of organizing the resources of the country for purposes of war,"—referring to its action in taking over the railroads, guaranteeing bank loans, writing insurance, etc. The labor members of Parliament said that the people would not "wait and see." Then began an agitation for an increase of wages, commencing with the railways, which are being operated by the government. Concessions were made upon the railways and the agitation spread to the shipyards and engineering works engaged upon war contracts. A strike ensued at Glasgow, where in spite of the entreaties of the government, which urged that the army was imperilled, work was suspended for some days, until the men were peremptorily ordered to return to work and submit the case to arbitration. Meanwhile the movement spread and demands for advances became general.

More annoying than the demand for more wages, which were recognized as having some justification in the rise of prices, has been the insistence of the unions upon the rules and devices which have the effect of limiting output. Moreover, the loss of time by the workmen has been serious, so much so that Lord Kitchener and Mr. Lloyd-George have both referred to it directly in public speeches, the latter saying: "Sometimes it is one thing, sometimes it is another, but let us be candid, it is mostly the lure of the drink."

It should be said that this recalcitrant spirit is in contrast with free enlistments among the members of the trade unions and indicates that it is the persistence of an habitual attitude upon all the subjects of past controversies.

Their attitude seems to have been due in the first instance to an exaggerated idea of the profits being made from the rise of prices, and to irritation growing out of the refusal of the government to take action in that matter. Another inciting cause has been the belief that great profits are being made by employers upon government contracts, which if true is something to be dealt with in another way. The feelings of the average Englishman are probably expressed by the London Times, when it says, "we are getting a little tired of the woes of manufacturers full of orders and of workmen who earn all they want in three or four days and idle away the rest of the week at the public house or the cinema."

The agitation was, however, instrumental in determining the ministry to assume larger powers over all the industries related to the prosecution of the war. A meeting of labor leaders was called and a compact entered into with them and signed. Discussing the plans for mobilizing the industries the Chancellor is quoted as saying:

"The next step will be the organization of all our resources for the production of munitions of war and without such an agreement this would have been impossible. This country would inevitably be deprived of victory in the war if labor failed us. If labor approaches this thing in a broad and generous spirit, and not in a haggling spirit, this document which was signed on Friday ought to be a great chapter for labor."

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"By taking over a works we do not mean to establish an admiral or a general in command of the works, turning adrift those who are managing them at the present moment. That is an impossible task. Our admirals and generals have as much to do as they possibly can, and, with the greatest confidence in them, we do not think they would manage works of this kind with the skill of those who are accustomed to that kind of task. That is not what we mean."

* * * * *

"Above all, we propose to impose a limitation of profits, because we can quite see that it is very difficult for us to appeal to labour to relax restrictions and to put out the whole of its strength unless some condition of this kind is imposed. The workmen of the country, I am perfectly certain, are prepared to put their whole strength into helping the war, so long as they know that it is the State that is getting the benefit of it, and that it does not merely inure to the profit of any particular individual or class."

War Financing.

There has been little apparent change in financial conditions abroad during the month. A new German five per cent. loan, issued at 98½, payable in 1921 and 1922, was opened February 27th and closed March 19th, with subscriptions somewhat above $2,265,000,000. This is the second German loan, the first issued last Fall having been for $1,100,000,000.

The French government estimates its war expenditures for the year to August 1st at $2,880,000,000, of which there remained on March 1st $1,340,000,000 to be provided. Its defence bonds, payable in five years and due in ten, bear five per cent. and are issued at 96½, which will make them pay 5½ to 5.85 per cent.

The English market took $50,000,000 of one year Russian Treasury bills in the latter days of February, and on March 10th the British Treasury received tenders for $250,000,000 five-year Exchequer bonds. The latter bear three per cent. and were disposed of to yield about 3⅞ per cent., including the discount. The treasury on March 30, also disposed of $75,000,000 of six months bills at slightly under three per cent.

The Prime Minister, in a speech in Parliament, has stated that from April 1st the British war expenditures are expected to average $10,000,000 per day.

There is no indication that any one of these countries is nearing the end of its borrowing ability. The rates at which these loans were taken must be accepted as evidence to the contrary. Apparently, however, the condition of ease which exists in London is not regarded with entire satisfaction, for the Bank of England of late has resorted to borrowing in the market in order to control the prevailing

rate. This has been done in the past as a means of preventing gold exports, and in ordinary times it has the effect of diverting borrowers to other markets, but it is not clear that it will be effective when gold is wanted to pay for goods that the country imperatively needs.

The banks of issue in all the belligerent countries continue to gain gold, except the Bank of England, and when allowance is made for the gold set apart in its vaults to cover the special currency issues, its losses have been slight. As very little gold is being shipped across national boundaries, the gains must be from private holdings, and urgent appeals to that end are made.

Ocean Shipping Facilities.

The war's interference with ocean transportation has brought the cost of ocean freights to the highest figures the present generation has known. Exports bound for Europe pay from four to seven times the usual freight charges and twenty to fifty as much for insurance. The transportation costs of imports are correspondingly increased.

It has been carefully estimated that 23 per cent., or nearly a quarter, of the world's available ocean tonnage, is out of the regular merchandise freight market. German and Austrian ships are unavailable. England has commandeered a large number of the trans-oceanic liners, also an extensive tonnage of vessels of the "tramp" type. France has done likewise. The number and tonnage of British and French ships thus taken out of the market is quite accurately known.

The available three-quarters of the world's normal tonnage is far below 75 per cent. in efficiency of the normal total. Most of the fastest and best ships have been commandeered for military use, and the shortage of men at European ports, the heavy lading of the ships that carry merchandise, the necessity of extremely careful navigation, have greatly increased the time between the loading and unloading of ships. European ports are congested with shipping. Vessels have taken as long as a month to unload, because the shortage of longshoremen and the necessity of waiting for a place at the piers. It would not be far out of the way to venture the statement that, measured in efficiency, the world's tonnage available for merchandise transportation is below half that of normal times.

The result is that shippers are paying 100 shillings a ton for general merchandise freights upon which they normally paid 15 to 25 shillings. This means a rise from $3.60 at $6.00 a ton, approximately, to $24, or from about two-tenths of a cent per pound to a cent and two-tenths. Even at this high rate cargo room cannot be obtained. Ships are chartered long before arrival at port.

Upon the bulk of high-class freight the addition to transportation cost on account of higher insurance rates is probably greater in actual amount than the increase in freight charges. A prominent insurance authority informs us that the value of cargoes moving in international commerce averages so much higher today than before the war that the falling off in aggregate of tons carried is more than offset. It is impossible to be specific about insurance rates. They vary from hour to hour, from port to port, and between kinds of cargo and different ships. A good normal rate of marine insurance, covering the ordinary risks of shipping, used to cost from one-eighth to about a fifth of one per cent. from New York to London and other British ports. Marine rates have advanced, for although certain large shippers and forwarders who have "blanket" policies pay only the normal marine rate now, new business offering must pay more on all transportation to Europe. The reason for the advance in ordinary marine rates is plain. Lights are out in numerous ports, buoys are missing, vessels are moving everywhere at night without lights, British and French salvage craft are not risking the ordinary salvage activities. And as insurance covers merchandise from shipment to unlading, the time element of risk is greatly lengthened.

The "war risk" insurance brings the total cost of all insurance up to many fold the normal rate of marine insurance alone. Probably the bulk of our imports and exports pay from one to two per cent. for war risk. Neutral ships pay less than belligerent. Fast ships pay less than slow. Shipping to easily accessible ports pays less than shipping to Scandinavian ports for which on some slow boats, a rate as high as three, four, or five per cent. is asked. Rates to and from Argentina, including war risk, are about five times the normal insurance costs. The additional charges upon goods crossing the ocean mean an appreciable increase in the cost of the goods to consumers but there seem to be reasons for all the increase. The fact that there are not ships enough for cargoes offering is a good first reason. The fact that ship owners must themselves pay high marine and war risk insurance on their vessels is another. A third reason is that traffic is not moving with ordinary balance in all directions. Freights to Australia, for instance, are 70 to 100 shillings where they were 22½ to 35. Not only is there a shortage of ships, but on account of embargo and low production in Australia, cargoes cannot be had to pay return voyage expenses. As for insurance, the single fact that the loss of the "Indian City" with its load of cotton wiped out all the premiums that had been paid for insurance on cotton cargoes for five months indicates that the charge for the risk is not extortionate.

The war's burden of additional cost upon ocean transportation in the foregoing includes the direct tax upon the goods. An additional indirect cost occurs in financing foreign trade. The exchanges are deranged by the fact that gold no longer flows readily from one country to another. The quotation for insurance alone upon gold from London via Liverpool to New York is now about one per cent., or $10,000 on a shipment of $1,000,000. The normal rate is fifty cents per $1,000, or $500 on a million. But on larger shipments than a million in a single vessel the rate would advance rapidly. Sailings of high-class steamers are comparatively infrequent, about two a week, and with gold shipments restricted as indicated, large transfers across the ocean are impracticable.

International Trade of the War Period.

Trade conditions in those countries outside the war zone for which latest statistics are available are apparently somewhat improved in recent months. A careful study of the available statistics in the opening months of the war indicated at that time a fall of between 35 to 40 per cent. of the world's international trade. More recent figures, however, show a slight improvement in many countries, and a marked improvement in the case of the United States and Canada.

The statistical statement herewith presented shows the increase or decrease of the foreign trade of 14 principal countries from the beginning of the war to the latest available date. These figures show the percentage of increase or decrease when compared with the corresponding month of the preceding year, and thus give a fair indication of the trend of international trade down to the latest date for which figures are available. For certain of the countries at war, notably Germany, Austria and Servia, no figures for any part of the war period are available; and this is also true with reference to certain other countries which present no monthly statements of their foreign trade.

TRADE MOVEMENTS OF PRINCIPAL COUNTRIES SINCE BEGINNING OF THE EUROPEAN WAR.

Per cent. of Increase (+) or Decrease (—) compared with corresponding month of last year.

	IMPORTS							EXPORTS						
	Aug. 1914	Sept. 1914	Oct. 1914	Nov. 1914	Dec. 1914	Jan. 1915	Feb. 1915	Aug. 1914	Sept. 1914	Oct. 1914	Nov. 1914	Dec. 1914	Jan. 1515	Feb. 1915
United States	— 6	— 18	+ 4	— 15	— 38	— 21	— 15	41	— 28	— 28	— 16	+ 5	+ 31	+ 71
United Kingdom	— 24	— 27	— 28	— 18	— 5	— 1	+ 5	— 45	— 35	— 36	— 42	— 40	— 39	— 36
*France	— 56	— 74	— 64	— 67	— 55	— 42	— 41	— 50	— 73	— 71	— 74	— 61	— 72	— 53
Canada	— 23	— 32	— 32	— 37	— 40	— 26	— 4	+ 18	— 1	— 15	— 22	— 31	+ 17	+ 42
**Argentina	....	— 46	....	....	— 57			....	— 46	....	....	— 8		
Spain	— 45	— 33	— 45	- 43				— 18	— 58	— 56	+ 1			
Egypt	— 31	— 56	— 66	— 63				— 72	— 76	— 79	— 33			
South Africa	— 30	— 47	— 45	— 29				— 81	— 76	71	— 55			
India	— 20	— 51	— 32	— 25				— 51	— 61	— 52	— 22			
Japan	— 26	— 37	— 47	— 51				— 23	— 26	— 31	— 28			
Russia	— 71	— 71	— 79					— 85	— 86	— 89				
Italy	— 37	— 56	— 52					— 56	— 37	— 27				
Australia	— 5	— 28	— 39					— 38	— 53	— 51				
Brazil	— 50	— 75	— 45					— 68	— 64	- 33				

*September and October estimated.
**Quarterly Statements.

The Railways.

Confidence in the future of railway investments has been strengthened by some recent events. The decision in December on the rate case was encouraging and the action of the Commission granting the transcontinental lines permission to meet the competition of the canal was a practical measure of relief. During the past month two decisions by the Supreme Court of the United States have decidedly improved the position of the roads with respect to regulation by the several states. It has been known that appeal could be had to the Federal Courts for protection against rates that were actually confiscatory, but it has not been clear how far the courts would go in dealing with rates that while unfair did not affect a sufficient volume of business to threaten the solvency of the roads. These two cases, one from North Dakota and the other from West Virginia, affecting respectively rates on coal and passenger fares, presented this question. The roads had other traffic which paid better and enough of it to enable them to live, but they alleged that the rates in issue were non-compensatory in that they did not yield their fair share of all the costs of operating the roads. In other words, if all other rates had been on the same basis, confiscation would have resulted. It has been contended that the roads themselves frequently did the same thing. If the roads could do this arbitrarily why not the state in the exercise of its authority? But the court held that while the state had large powers of regulation, it did not have all the rights of an owner, and did not have the right to compel a railway to accept unremunerative or unfair rates. The court lays down the rule that in determining the cost of the transportation of a particular commodity, all outlays which pertain to it must be considered. The decision considerably extends the authority of the United States Courts over intrastate rates.

Hearings are proceeding upon the application of the roads running west of Chicago for an increase of rates, and efforts are being made in several western states to obtain permission to restore the three-cent rate of passenger fare. These efforts are having respectful consideration by the press and public. A leading journal of one of these states, in discussing the general railway situation, expresses the opinion that the weaker roads need more liberal treatment, but asks what is to be said of a company like the Pennsylvania?

The Pennsylvania:

An examination of the Pennsylvania's record in recent years is instructive. Taking December 31st, 1898, as a starting point, because the recent period of industrial expansion began about that time, the outstanding capital stock of the Pennsylvania Railroad Company at that date was $129,305,000, and on December 31st, 1914, it was $499,198,600, an increase of $369,893,600. This new stock brought $425,436,565.44 to the treasury, or $45,537,965.44 more than par value. During the same period, the sum of $44,102,928, derived from surplus earnings, has been invested in the property and charged to income and profit and loss. None of this surplus has been capitalized. Excepting one quarter of 1906 and the year 1907, when the rate was seven

per cent., dividends upon the stock during the period have been at the rate of six per cent.

But the foregoing does not include all of the capital put into the property during these sixteen years, for the funded debt on December 31, 1898, stood at $94,402,544 and on December 31, 1914, stood at $236,951,643. In other words, the stockholders borrowed during this time $142,549,099 and put it into the property ahead of their stock. If the credit of the company had not been very good, by reason of the large investment in the capital stock, so that it was able to borrow at low rates, in large part at 3½ and 4 per cent, it would not have been able to make as good a showing of earnings on the stock as it has. By all good business rules the owners of a business are entitled to some compensation for the capital they borrow and handle intelligently in the public service.

The total capital obligations of the Pennsylvania Railroad Company on December 31, 1914, were $736,155,243, and if they had all been in capital stock and every cent of the net earnings had been distributed, the return would have been 5.93 per cent.

The total operating revenues of the company for the year ended June 30, 1914, were $184,866,108, and 80.5 cents out of every dollar went to pay operating expenses and taxes. The surplus above dividends, or the margin of safety, in 1914, was $5,800-000 or about .7 per cent on total capital obligations.

This is not a large surplus for a business of such magnitude. In view of the trend of net earnings in recent years, and the slight control that the company has over wages and rates, it is not sufficient to satisfy the investing public that the present dividends will be maintained. In view of the policy of the company in recent years in not capitalizing surplus, an ample surplus which goes into the property is not burdensome to the public. It improves the property without adding to the capital charges, strengthens the credit of the company, enabling it to raise other capital on more favorable terms, and puts it in position to keep ahead of the public needs instead of dragging behind them as a company in doubtful credit must do.

As bearing upon the efficiency with which the road has been managed, it may be said that in 1900 the average train-load was 454 tons and in 1914 was 730 tons. This means that the owners had been putting more capital into the road and equipment for the purpose of reducing costs, and presumably in the hope that some share of the benefits would come to them; but in 1914 the net operating income after payment of taxes was nearly a million dollars less than in 1905, although $285,000,000 had been meantime put into the property. Is a railway system likely to be steadily advanced to the highest possible standard of efficiency under such conditions?

This is the showing of the premier railroad company, the best money-earner of them all, exceptionally well located for concentrated traffic and with rights of way, terminals and physical properties that could not be acquired and reproduced now for anything like the capitalization of the company. In view of these facts, it is idle to talk of watered stock in connection with the Pennsylvania.

The average value per acre of all the farming land in the United States increased 108 per cent in the ten years between the census of 1900 and the census of 1910, and Pennsylvania stockholders as consumers of farm products are paying their share of the returns on this increment. They have had no returns on the increased value of their own great real estate holdings, and do not expect any; but they think they should be protected in regular returns on their cash investment.

The New York Central:

The New York Central is just now proposing to clear up $100,000,000 of short term indebtedness, incurred in making improvements upon its lines and terminals, by an issue of six per cent debenture bonds, convertible into stock at the rate of $100 of stock for $105 of bonds. In addition to these expenditures the company has expended upon the property $167,000,000 in the last fifteen years, raised in part by sales of stock aggregating $123,-000,000 par value but sold at prices which realized an average of $103.60 per share, and partly by earnings expended upon the property but not capitalized.

Western Pacific:

If anyone holds the opinion that there are no risks attendant upon investments in railroads, he should read the story of Western Pacific, which on March 1st defaulted upon the interest on its first mortgage bonds. This is a low-grade, well-built road from Salt Lake City to Oakland, opened for traffic in 1911. It is a continuation of the Denver & Rio Grande, and the Pacific connection of the entire Gould system. It has outstanding $50,000,000 of first mortgage five per cent bonds, guaranteed by the Denver & Rio Grande. The total earnings of the Western Pacific for the fiscal year ended June 30, 1914, were $6,099,573; operating expenses, taxes, interest, etc., about $10,000,000, and the deficit was $4,000,000. The Denver & Rio Grande Company, besides guaranteeing the first mortgage bonds, advanced $25,000,000 upon second mortgage bonds for construction purposes, and has since made advances for interest and other outlays aggregating about $20,000,000 more, raising the money by bond issues of its own. After carrying the burden four years, discontinuing dividends on its own preferred stock in 1911, the Denver & Rio Grande has found it impossible to continue interest payments, and a foreclosure suit with a receivership for the Denver & Rio Grande is in prospect unless some plan of reorganization is agreed upon. This is not a case of watered stock, but of failure for an enterprise which in view of its connections seemed to have reasonable prospects of success. The first mortgage bonds have been selling on the market at about thirty-five cents on the dollar.

Nor are the risks of investments in railways confined to new roads. The present condition of the principal railways of New England, whose stocks in past times have been considered choice investments, is proof of this. It does not mitigate the plight of the stockholders, or prove that there are no risks in railway investments, to say that these roads

were mismanaged, for there is always the risk of mismanagement; it must be covered in the returns. If the government took over the roads the public, in one way or another, would have to carry the risks of mismanagement.

Strong and Weak Roads.

The question with many people, as indicated above, is how to give relief to the weak roads, which require it immediately, without giving aid to roads like the Pennsylvania, whose situation is not so critical. It is evidently impracticable to vary the rates upon competing roads to suit their financial needs. It would be useless to allow the Western Pacific to charge higher rates than the Union Pacific between San Francisco and Salt Lake City, for the public would use the latter route. Higher through rates from points on the weaker line to outside territory would raise protests from these localities, because they would be placed at a disadvantage compared with communities on the stronger system. Finally, if it were possible to deprive the old and strong roads of the advantages which they naturally enjoy by reason of superior facilities or an established business, the effect of such an arbitrary and discriminatory use of the public authority would influence private capital away from railway investments.

There is no practical way of establishing absolute equality of returns in private business, but there is such a thing as diminishing the returns for everybody by attempting the impracticable. Some farms yield better returns than others, and so do some factories, and so long as the railroads are operated as private property and the owners have any part or responsibility in their management, some of them will yield better returns, or at least, have a larger margin of safety, than others. When the roads pass under such complete public control that there is no room or incentive for initiative or judgment on the part of private owners, the latter's interest in them will necessarily have to take the form of a guaranteed return; the time will have come for the government to assume the full responsibilities of control and management.

Government Regulation of Prices.

The present day impulse to resort to governmental regulation for relief from every seemingly unsatisfactory condition, without waiting for natural forces to have play, is as strong in the United States as anywhere. It was to be seen in the call for an investigation of the recent advance in wheat and in the proposal to prohibit exports. There was no reason to believe that this country was facing an actual shortage of foodstuffs, but prices had advanced with sensational rapidity. Evidently there was more money in wheat for somebody at $1.50 per bushel than there had been at $1.00, and, therefore, it was argued something should be done about it. In fact, something already was doing about it. One of the chief reasons for the high price of wheat was the blockade of Russian wheat at the Bosphorus, and the allied fleet was on its way to open the passage, if possible. Its first successes took twenty cents off the price in a week, but later news as to its progress has resulted in a partial recovery. The advance in price caused an addition of over 4,000,000 acres to the area of the winter wheat crop in this country, and is causing more wheat to be sown wherever it can be grown. If there should be a good yield generally, and the Russian crop should find a way out, it is quite possible that wheat may be cheaper next winter than for a number of years. The higher prices were a sign of anxiety about the future supply, and their effect was to cause provision for the future to be made, partly by conserving the present supply, throwing a portion of the demand upon other foodstuffs, and partly by enlarged planting for the next crop. These were necessary measures if the future supply was to be assured, and no influence but a rise of prices would have been so effectual in promoting them.

Moreover, the United States has been saved from a grave crisis by the heavy exports of the last few months, in which wheat has been one of the chief items. If the balance of payments had remained against us, it would have been impossible for long to have artificially prevented the exportation of gold, and its loss from our bank reserves would have forced a contraction of credits and caused further demoralization in industry. The growing trade balances in our favor in recent months have established us in a position of security, allayed alarm and encouraged the resumption of normal business operations. Without these exports, unemployment would have been greater and the problem of providing food for our people more serious than it is now.

If the government is to regulate prices it should logically go further and regulate consumption, and guarantee a stated income to the farmer. The average return for growing wheat is not excessive, and nobody proposes to guarantee the farmer against crop failures or low prices; his compensation for these, and part of the inducement to continue growing wheat, is had in the exceptional years when prices are high. Is it fair to add to his other hazards the possibility that when prices are high the government will interfere to depress them, and if that risk is added will it not have an effect upon wheat production?

The Speculator's Services.

The same considerations apply to the speculator. Despite the approbrium often heaped upon him, the speculator performs a useful part in the distribution of products. Whether or not he ever sees the products in which he deals he broadens the market for them, furnishes capital to carry them while they are moving from the producer to the consumer, and reduces the price fluctuations. There has been a striking demonstration of this in the case of the cotton crop this year. The professional speculator assumes hazards which in the nature of modern business somebody must carry. He is contracting cotton now for December delivery, before this year's crop is planted, and spinners are enabled to enter into contracts to make cloth for future delivery without locking their capital up in cotton for so

long a period. The miller makes the same use of the market for wheat futures. The elevator companies escape the hazards of the market and deal upon close margins because they can sell to speculators for future delivery. The experienced speculator, since he makes it his business, can distribute his risks, as an insurance company does, and thus minimize them in a manner that is impracticable for a man in a single line of business.

If then instead of being a parasite the speculator is performing a useful part in the business organization, his services should be recognized and nothing should be done to add uncertainties to his problem. His business is based upon averages; he is bound to have losses, and must have gains to offset them. Nobody will continue to take risks of losses unless there are corresponding chances for profits, and to interfere with the natural course of the markets by unusual and arbitrary action is to disturb calculations made perhaps months before and disorganize the machinery by which trade is carried on. It is an axiom that the fewer uncertainties there are in trade, the smaller the margins will be.

The Cold Storage Business.

The produce markets, because of the fluctuations in supply, are subject to wide fluctuations in price, which have been moderated in some lines by cold storage facilities. The storage of such products for use in distant months, with the price dependent upon weather conditions in the meantime, is necessarily a speculative venture, and evidently the dealer must have the benefits of favorable fluctuations to offset the unfavorable ones. The losses, however, are unnoticed by the public, no matter how severe they may be, while exceptional gains resulting from similar transactions and inviting the same risks, arouse vigorous demands for action by the authorities.

The cold storage business has been investigated lately by a Commission created by the legislature of Pennsylvania, and the Department of Agriculture at Washington and the authorities of several states and of the Dominion of Canada participated in the inquiry. The Commission in the course of its report has this to say of the methods of the business:

"The cold storage warehouse men are merely custodians of property; they have no pecuniary interest in eggs, butter or other products placed in their possession, and under no condition do they profit by reason of the abnormal prices on eggs or any other food commodity given to them for preservation. The men who own cold storage warehouses do not do business with a few producers; rather, they deal with hundreds of persons, and it would be an impossibility to create a connivance between these warehouse men and the merchant. Cold storage facilities are open to all householders, who may place the smallest quantity of food in refrigeration for any period of time; in other words, there is no monopoly on the use of refrigeration plants."

It would appear, therefore, that there is no business more completely open to competition than the business of carrying food products for future sale, although there is no other line perhaps in which there is more agitation over alleged combinations. If every individual has a convenient opportunity to use cold storage facilities on his own account, it would seem that so many expensive investigations of this subject are unnecessary.

Natural Penalties for Manipulation.

It is true that markets are more or less subject to manipulation and that there is much uninformed and mischievous speculation, but it is also true that there are very severe natural penalties for it. Such a wheat market as has prevailed since the outbreak of the war is extraordinary, but the risks of speculating in such a market are fully commensurate to the possibilities of profit. It is not likely that any speculator convicted of bulling wheat at the high prices of last month would have suffered more severely at the hands of the court than the speculators of that group actually did suffer by the drop of twenty cents a bushel.

In nearly all such seeming emergencies if all the conditions are open and the entire public is free to act in its own judgment, it is proverbial that relief comes by a multitude of ways unseen and unsuspected. All the normal and persistent forces are opposed to the artificial and the temporary ones and are sure to overcome them shortly if they can work without interference. But if the opinions and authority of government officials are interjected as an arbitrary factor in such a situation, greater confusion is almost certain to result. It would be so if they were the most expert of specialists, because no man or group of men is wise enough to know in advance all the ramified effects of such arbitrary action. The fairest and best price, and the one economically most serviceable to the public, is that resulting from the free play of all natural influences. The exceptions to the rule occur in great emergencies when the ordinary mechanism of trade is broken down and unable to perform its functions.

The Agitation for Free Silver.

One of the most notable examples of impatient agitation for the relief of the masses from imaginery wrongs was that in behalf of the free coinage of silver. The theory was that money had been made artificially scarce and dear by conspiracy, and that there could be no return of prosperity until it had been made abundant and cheap by act of Congress. As the agitation progressed, the menace which it carried caused capital to be withdrawn from the country, until a general paralysis fell upon industry; in other words, the agitation itself intensified the very conditions from which relief was desired. It should not be forgotten that 6,502,925 votes were cast for the proposition, but fortunately 7,106,779 were cast against it. After the proposition was defeated and the threat of arbitrary meddling with the standard of value was removed, capital flowed out from a thousand sources, and the country experienced the greatest period of prosperity it had ever known.

Ban on Efficiency Methods.

The opposition of the labor organizations to the installation of improved machinery in the government's printing establishments at Washington is an old story, and gradually it has been overcome in large degree, although Congressional Committees have been very cautious in dealing with the controversy. Of late, efforts have been made by officials

in charge of the arsenals and navy yards to introduce modern efficiency methods into the operations of these establishments. The methods consist of thorough organization, by which the various divisions of the working force are more closely coordinated, and in showing the men how to work at their tasks in the most effective manner. It is reported that the output of the arsenals has been more than doubled by these methods, and that the workmen, who work by piece, have been pleased with the system. It is improbable that the government officials in charge have been driving the employees to unreasonable exertions, as that never has been characteristic of the government service. The labor organizations on the out ide were not pleased and persuaded the Congressional Committees to insert in the appropriation acts passed at the last session a provision forbidding such methods. General Crozier, at the head of the Ordnance Bureau, has said:

> We have suspended so-called scientific shop management at both Watertown and Frankfort arsenals in order to give our employees an opportunity to judge for themselves whether it is to their interest to retain the system and acquaint their representatives in Congress with the truth in regard to this matter. I feel sure that Congress would not abolish the system if it understood the facts and, therefore, I have been extremely anxious that action should be deferred until after the forthcoming report of the Federal Industrial Relations Commission, which is carefully investigating the subject, should be available. The sentiment that has been created against the system as utilized by the Ordnance Bureau is based upon statements in the main devoid of truth. It need only be said that the men work eight hours, under the best conditions, are granted twenty-eight days annual leave in vacations and holidays and are well satisfied.

The readiness of Congress to yield to pressure of this kind when backed by organized voting power, is an obvious weakness in a governmental management.

Bond Market in March.

Throughout March there has been a steady and insistent demand for short term notes of high character.

Just prior to the opening of the month the Anaconda Copper Mining Company sold to its bankers, $16,000,000 5% Notes, and the notes were all resold within a few hours after the first offering. Subsequently the market demand carried these notes to a premium over the original offering price, and this advance was sustained throughout the month.

The demand for this kind of investment has been undoubtedly intensified by the increasing ease of money and by the withdrawal from the note market of certain large note issues, which the issuing corporations are replacing by permanent financing. The fact that some corporations have found it feasible to replace notes with long term issues indicates that the demand for permanent investments has also improved.

The outstanding feature of the bond market in March was the successful sale by the State of New York of $27,000,000 4¼% bonds at a price to yield the purchasers only 4.08%, which contrasts with a sale of $51,000,000 4½% bonds in January, 1914, at a price to yield 4.208%.

Throughout the month there have been active negotiations by New York bankers in regard to the purchase of European Governments' securities, which have had for their general object, the providing of such governments with funds to meet payments for munitions of peace and war already contracted for, or the purchase of which was under contemplation. The only transaction actually completed within the month was the offering of $15,000,000 Government of Switzerland, one, three and five-year 5% notes. The three and five-year maturities were offered on a 6% basis, and the one-year maturity on a 5⅜% basis. It was subsequently stated that the banking syndicate had disposed of the entire issue within twenty-four hours.

The first move towards the direct selling to the American investing public of securities of one of the belligerent nations of Europe occurred towards the end of the month, when a banking syndicate undertook to place a $10,000,000 short term German loan. This was followed at the very close of the month by a public offering of $50,000,000 one-year 5% Treasury bonds of the French Republic at a price of 99½% to yield just over 5½%. Preliminary indications are, as this bulletin goes to press, that the offering will be an entire success. It is prevalently rumored, and we believe reasonable to expect, that others of the belligerents will shortly follow in the footsteps of Germany and France.

The demand for good municipals continues and there has been considerable activity in the purchase of loans of the Provinces and leading Cities of Canada.

The bulk of railroad financing during March was not large and it does not seem probable at the moment that any large amount of permanent financing will be attempted in the near future.

The Missouri, Kansas & Texas has $19,000,000 notes maturing on May 1st, and the New York, New Haven & Hartford with its subsidiary the Harlem River & Port Chester must arrange for $30,000,000 maturities on the same date. In June there mature $26,730,000 of the National Railways of Mexico notes, $24,942,000 notes of the Missouri Pacific, and $35,000,000 notes of the Baltimore & Ohio, while in July the Western Maryland must arrange for $13,000,000 maturing obligations. While these approaching maturities bulk large, they, for the most part, constitute special individual situations which are generally believed to be well in hand.

The transactions in bonds on the New York Stock Exchange amounted to $64,014,500 par value for the month of March, 1915, as against $60,044,000 par value in the same month last year. This is a great improvement over the showing of $43,618,000 for February, 1915, as against $69,449,500 in February, 1914.

Government Bond Market.

The Government Bond market has been rather inactive during the past month, most of the purchases being made for personal tax purposes over the first of April. Prices have remained firm, the

range for the various issues being as follows:

	2s	1930	98½	99
Panama	2s	1916-36	98½	98¾
Panama	2s	1918-38	98½	98¾
	3s	1908-18	101½	102
	4s	1925	109½	110
Panama	3s	1961	101¾	102¼

These quotations cover bonds in registered form, very few coupon bonds being available for purchase.

In regard to the Government 2s, a good many of the national banks throughout the country are undoubtedly retaining their bonds in the hope that the Federal Reserve Board may hereafter authorize the twelve Federal Reserve Banks to purchase the 2s at 100. Under the terms of the Federal Reserve Act, the Board is authorized to avail itself of this power beginning with December 23rd of this year, the purchases not to aggregate more than $25,000,000 bonds annually.

In the case of the 3s of 1908-18, which were brought out in 1898, it is interesting to call attention to the fact that these bonds are actually payable on August 1st, 1918. It will be recalled that they were issued at the time of the Spanish-American War in the form of a popular subscription at par. Approximately $198,000,000 bonds were sold, about $64,000,000 of which are still outstanding. The remaining $134,000,000 were heretofore refunded into the 2% Consols of 1930 in accordance with the Refunding Act of March 14th, 1900. Of the bonds now outstanding, a little less than $21,000,000 are deposited in Washington to secure national banknote circulation and $5,000,000 to secure public moneys lodged with national banks. In other words, $38,000,000 are in the hands of private investors, insurance and trust companies, etc. As these bonds approach maturity, a good many of the last mentioned $38,000,000 will undoubtedly find their way into the market for sale. If this proves true, it is only fair to assume that the 3s will hereafter sell under the present bid price of 101½ and interest.

Unemployment.

It has been estimated by persons as competent as any to make such a calculation that 2,000,000 wage-earners have been out of employment this winter, which in financial effects means about the same as participation in a great war. There is a growing appreciation of the economic loss to the community in the idleness of hundreds of thousands of workers, and of the further loss that comes from their permanent deterioration in efficiency, resulting from irregular employment, migratory habits, insufficient income, weakened ambition, and all the attendant ills. The intelligent efforts that have been going on in recent years to master the principles of efficiency is accomplishing remarkable results in individual industries and in groups of industries, and nothing has been more clearly proven than that it pays to have a permanent force of workmen rather than a changing one. In some industries that were formerly seasonal, with a large amount of lost time during the year, excellent results have followed upon systematic efforts to provide employment throughout the year, thus raising the income of the employes and cheapening the cost of the product. The same result is evidently to be had by more effectively organizing and coordinating the various branches of industry and rapid progress will be made toward it when everybody understands that idleness is costly not only to the idler but to the community. What every man produces is a part of the community supply, just as the wheat produced on each farm is a part of the world supply, and scarcity or abundance is determined by the efficiency of individuals.

The modern industrial system is highly efficient when all its parts are working together in perfect balance, but woefully helpless when disorganized. Unfortunately, whenever the balance is disturbed, and a note of alarm passes round the circle, the natural impulse to retrench for self protection aggravates the trouble. Enterprise is checked, buying is cut down, labor is thrown out of employment and consumption is curtailed. The virtues of economy are unquestionably very great, but it should be a consistent economy that avoids waste at all times rather than the spasmodic kind that suddenly leaves whole trades without support and throws the wage-earners upon charity.

It is not likely that any elaborate or revolutionary scheme for "making" work in a large way will ever materialize. Local undertakings of a temporary character may be very helpful, but on a large scale they are likely to be unmanageable and uneconomic. While it is very desirable that everybody shall have employment, it is almost equally desirable that the employment shall in the regular working forces of the community and on a commercial basis. The remedy is to be found in more effective organization of the industries and in a clearer appreciation of the gains that are possible to all interests through more stable conditions.

The Natural Remedy.

It would be obviously very helpful if the larger factors in the business community, which are strong enough to follow an independent course, would direct their policies with a view to supporting the situation in these emergencies, instead of joining in the general reactionary movement. Construction work costs less at a time when the demand is relaxed than in boom times, and this furnishes the inducement for those who are independent in resources and have faith in the future to come in to the market. It is largely in construction work that the difference between good times and bad times appears. It is true that in bad times nobody is under pressure to increase his facilities, and on the other hand in good times everybody is not only possessed of the spirit of expansion, but, as a result of not being prepared, under the necessity of expanding immediately. Even as to public works this is true, for cities are growing more rapidly and feeling more ambitious when everybody is prosperous. It would clearly be advantageous, both to the public treasury and the business situation, if public construction could be so managed as to avoid to a great extent the periods of congestion and take advantage of the periods of reaction which always follow.

The railroads are the largest single factor in the

fluctuations that occur, outside of the influence of the crops, and unquestionably their economics have had much to do with dull business and unemployment during the past year. The reason has been two-fold, the investment markets have been unfavorable for their financing and the pressure of higher operating expenses with impaired revenues has compelled the strictest economy. The railroads could be a great steadying factor in the general situation if they were in a position of greater security themselves. In order that a movement toward depression shall be overcome there must be reserve resources somewhere and confidence in the future, a belief in the stability of fundamental conditions. When these exist depression is not likely to go far or last long.

Individual Responsibility.

Finally, these periods of depression would be much less disastrous if each individual member of the community understood the importance of having reserve resources of his own. After all is said that may be said of the obligations that rest upon society as a whole to provide for the individual, it remains to be said that there is an obligation upon the individual to avoid being a charge upon the community. A man may be willing to work and unable to find work in time of industrial depression, without being quit of all responsibility for becoming a public charge. Each person should bear his share of the responsibility of providing against bad times, and not expect to throw up his hands in every period of stress and be rescued by others. Everybody is warned against the danger and hardships of unemployment. The lessons of prudence, self denial, thrift, and provision for a rainy day, have always been taught, and always been practised by some and disregarded by others. The progress of society, the fact that employment is more regular and more remunerative, and the chance for independence better, now than in the past, has been due to the former class, and it cannot be doubted that the necessity for individual initiative and foresight has been an essential factor in this progress.

Every plan that purposes to do away with this individual responsibility entirely must be viewed with misgivings. A regime of personal liberty involves personal responsibility. The freedom to go and come, to exercise choice, to take chances, to crowd into preferred occupations, to idle instead of toil, to spend instead of save, to indulge instead of deny the appetites, and all the familiar opportunities to make mistakes, imply responsibility. The results to the individual from one choice must be different than from the other. The community is concerned in every instance, and abstract argument ceases for the time being in the presence of distress, but the serious question remains, how far should the community go in a sweeping offer to always provide for those who do not provide for themselves?

It is true that the industrial organization is far from perfect; it is in fact a rather hit and miss affair. It was not made to order, the responsibility for it cannot be placed. This is so because of the liberty that belongs to each individual, and it can be made more harmonious only as each individual learns to play his part in voluntary and efficient cooperation with the others, and to bear his share of the responsibility of finding his place.

International Finance Conference.

The conference authorized under provisions of the diplomatic and consular appropriation bill will be opened May 10th. It is provided that, not exceeding three representatives from each of the South and Central American republics shall participate in the conference. On March 16th the Secretary of State extended formal invitations to the conference. It is reported that all of the nations have expressed an intention to participate. Director General John Barrett of the Pan-American Union says "It should be a constructive and reciprocal conference which should mark the beginning of a new epoch in the great business intercourse of the nations concerned and should benefit the countries of Latin America just as much as it may the United States."

Bank Reports Under Federal Income Tax Law.

The Acting Commissioner of Internal Revenue in response to an inquiry from the Illinois Bankers Association has given an opinion relative to the deduction of taxes paid by banks for account of their shareholders in filing their returns of annual net income to the Federal Government.

He says:

In this connection, you are advised that while State laws may, for the convenience of the State and for the safeguarding of its revenues, require banking corporations to pay the taxes on their capital stock, this provision of the State laws does not impose, within the meaning of the Federal law, the tax upon the corporation; that is, it is not a tax imposed on assets of the corporation, but rather on an asset of the stockholders.

When such taxes are paid by the bank, the bank is acting in the capacity of an agent for its stockholders in liquidating a liability which such stockholders owe to be State. The liability for the taxes assessed is not shifted from the individual shareholder nor do the taxes assessed and paid become a permissible deduction from the gross income of the bank paying such taxes.

Amendments to the Federal Reserve Act.

Since its passage the Federal Reserve Act has been modified by three amendments. The first of these was approved on August 4, 1914, and dealt with the conditions under which additional currency could be secured by national banks. This amendment was reprinted in the September number of this bulletin.

The second amendment dealt with the carrying of reserves. The third, approved on March 3, 1915, gave the Federal Reserve Board discretionary power under which they might permit national banks to accept drafts or bills to an amount in excess of one-half of the bank's paid-up and unimpaired capital stock and surplus as originally provided, but not to exceed the capital stock and surplus of such bank. These two amendments follow:

RESERVES.

An Act Proposing an amendment to section nineteen of the Federal Reserve Act relating to reserves, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That section nineteen, sub-sections (b) and (c) of the Act approved December twenty-third, nineteen hundred and thirteen, known as the Federal Reserve Act, be amended and reenacted so as to read as follows:

"(b) A bank in a reserve city, as now or hereafter defined, shall hold and maintain reserves equal to fifteen per centum of the aggregate amount of its demand deposits and five per centum of its time deposits, as follows:

"In its vaults for a period of thirty-six months after said date, six-fifteenths thereof, and permanently thereafter five-fifteenths.

"In the Federal Reserve Bank of its district for a period of twelve months after the date aforesaid, at least three-fifteenths, and for each succeeding six months an additional one-fifteenth, until six-fifteenths have been so deposited, which shall be the amount permanently required.

"For a period of thirty-six months after said date the balance of the reserves may be held in its own vaults, or in the Federal Reserve Bank, or in national banks in central reserve cities, as now defined by law.

"After said thirty-six months' period all of said reserves, except those hereinbefore required to be held permanently in the vaults of the member bank and in the Federal Reserve Bank, shall be held in its vaults or in the Federal Reserve Bank or in both, at the option of the member bank.

"(c) A bank in a central reserve city, as now or hereafter defined, shall hold and maintain a reserve equal to eighteen per centum of the aggregate amount of its demand deposits and five per centum of its time deposits, as follows:

"In its vaults, six-eighteenths thereof.

"In the Federal Reserve Bank, seven-eighteenths.

"The balance of said reserves shall be held in its own vaults or in the Federal Reserve Bank, at its option.

"Any Federal Reserve Bank may receive from the member banks as reserves not exceeding one-half of each installment, eligible paper as described in section thirteen properly endorsed and acceptable to the said reserve bank

"If a State bank or trust company is required or permitted by the law of its State to keep its reserves either in its own vaults or with another State bank or trust company or with a national bank, such reserve deposits so kept in such State bank, trust company, or national bank shall be construed within the meaning of this section as if they were reserve deposits in a national bank in a reserve or central reserve city for a period of three years after the Secretary of the Treasury shall have officially announced the establishment of a Federal Reserve Bank in the district in which such State bank or trust company is situate. Except as thus provided, no member bank shall keep on deposit with any non-member bank a sum in excess of ten per centum of its own paid-up capital and surplus. No member bank shall act as the medium or agent of a non-member bank in applying for or receiving discounts from a Federal Reserve Bank under the provisions of this Act except by permission of the Federal Reserve Board.

"The reserve carried by a member bank with a Federal Reserve Bank may, under the regulations and subject to such penalties as may be prescribed by the Federal Reserve Board, be checked against and withdrawn by such member bank for the purpose of meeting existing liabilities: *Provided, however,* That no bank shall at any time make new loans or shall pay any dividends unless and until the total reserve required by law is fully restored.

"In estimating the reserves required by this Act, the net balance of amounts due to and from other banks shall be taken as the basis for ascertaining the bank deposits against which reserves shall be determined. Balances in reserve banks due to member banks shall, to the extent herein provided, be counted as reserves.

"National banks located in Alaska or outside the continental United States may remain non-member banks, and shall in that event maintain reserves and comply with all the conditions now provided by law regulating them; or said banks, except in the Philippine Islands, may, with the consent of the Reserve Board, become member banks of any one of the reserve districts, and shall, in that event, take stock, maintain reserves, and be subject to all the other provisions of this Act."

Approved, August 15, 1914.

ACCEPTANCES.

An Act Proposing an amendment to the Federal Reserve Act relative to acceptances, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section thirteen, paragraphs three, four, and five, of the Act approved December twenty-third, nineteen hundred and thirteen, known as the Federal Reserve Act, be amended and reenacted so as to read as follows:

"Any Federal Reserve Bank may discount acceptances which are based on the importation or exportation of goods and which have a maturity at time of discount of not more than three months and indorsed by at least one member bank. The amount of acceptances so discounted shall at no time exceed one-half the paid up and unimpaired capital stock and surplus of the bank for which the rediscounts are made, except by authority of the Federal Reserve Board, under such general regulations as said Board may prescribe, but not to exceed the capital stock and surplus of such bank.

"The aggregate of such notes and bills bearing the signature or indorsement of any one person, company, firm, or corporation rediscounted for any one bank shall at no time exceed ten per centum of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

"Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods having not more than six months' sight to run; but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up and unimpaired capital stock and surplus, except by authority of the Federal Reserve Board, under such general regulations as said Board may prescribe, but not to exceed the capital stock and surplus of such bank, and such regulations shall apply to all banks alike regardless of the amount of capital stock and surplus."

Approved, March 3, 1915.

Federal Reserve System—Clearances.

Early in March, the governors of several of the Federal Reserve Banks met in Washington and conferred with the Federal Reserve Board regarding the system of check clearances to be adopted, and the Federal Reserve Board sent to each of the Federal Reserve Banks a letter directing that such of the banks as had not already inaugurated a system of check clearances within their district, should, at the earliest possible date, arrange for the establishment of clearing functions.

It seemed best to leave, for the time being, at least, the arrangement of the details to the local banks, and each Federal Reserve Bank was authorized to issue regulations governing the clearing of checks in its district.

As a beginning the Board approves of a reciprocal plan whereby the checks of all assenting banks will be cleared at par within each district; however, it is said that for the present the plan shall be merely optional among the banks of any district. Later, some definite plan of action will undoubtedly be adopted. While no plan has been devised, the Board of Governors have appointed a sub-committee to consider and present the matter to the F. R. Board. The members of the sub-committee are Messrs. McDougal, Aiken, Shong, Fancher and Seay.

STATEMENT OF RESOURCES AND LIABILITIES OF EACH OF THE TWELVE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS MARCH 26, 1915.

(In Thousands of Dollars)

RESOURCES	Boston	N. Y.	Phila.	Clev'd	Rich'd	Atlanta	Chicago	St. Louis	M'npl's	Kas. City	Dallas	S. Fr'sco	Total
Gold coin and certificates	15.095	96,260	15,078	16.385	8,751	4,870	33.595	10,120	8,517	10,896	7,623	14,978	242,168
Legal tender notes, Silver certif's and Sub. coin...	1,772	13,321	3.795	630	39	1.041	302	957	4	563	663	11	23.098
Total................	16,867	109,581	18,873	17,015	8,790	5.911	33,897	11.077	8,521	11,459	8.286	14,989	265.266
Bills discounted and loans	1.037	5,080	2.032	1,944	6,608	5,787	2,112	616	705	522	3,516	1,724	31,683(c)
Investments................	1,061	7,256	1,987	1,254	14		5,939	772	1,385	866		1,045	21.579
Due from other F.R. Banks net	459	8,026	557	340			2,998	2,653					5,573(b)
All other resources.......	581	2.190	236	498	81	312	2,656	869	266	319	367	755	9,110
TOTAL RESOURCES.....	20,005	132,133	23.685	21.051	15,473	12.010	47,602	15,987	10,877	13.166	12,169	18,513	333,211
LIABILITIES													
Reserve Deposits.........	16,788	125,493	19,529	17,042	8,045	5,724	43,197	14,127	8,962	9,977	6.961	12.372	288,217
Due to other F. R. Banks net (b)....					1,349	826			283	1,326	2,140	3,536	
Federal Reserve notes in circulation—Net Amt....					3 877	3.890					1.132		8,889(a
Capital Paid In............	3,217	6.640	4,156	4 009	2.202	1.580	4.405	1.860	1,632	1,863	1 936	2,605	36,105
TOTAL LIABILITIES....	20 005	132 133	23,685	21,051	15,473	12 010	47,602	15,987	10.877	13,166	12,169	18,513	333,211

(a) Total Reserve notes in circulation, 39,858. After deducting gold and lawful money in hands of Federal Reserve Agents, 30,969, for retirement of outstanding notes, the net liabilities of Reserve Banks upon outstanding notes, amount to 9,889.

(b) After deduction of items in transit between Federal Reserve Banks, 5,573, the Gold Reserve against Net Liabilities is 83.1%. and the cash reserve is 91%. Cash Reserve against liabilities after setting aside 40% Gold Reserve against net amount of Federal Reserve Notes in circulation, 92.6%.

(c) Maturities of bills discounted and loans: 30 days, 9,715; 60 days, 14,514; Other maturities, 7,454; Total: 31,683.

Bank Rate Raised.

On March 19, the Bank Discount Rates at Atlanta were raised to 4½ per cent. for 60 days and 5 per cent. for longer maturities. This is the first instance in which rates have been increased. Since the opening of the banks the rates have shown a lower tendency and the application for an increase in the Atlanta rate is therefore of more than passing interest.

The increased rate probably reflects local conditions in the discount market as brought about by seasonal demands and influenced also by credit requirements in financing the new crop which is now being planted.

Nashville, Tenn., A Reserve City.

March 23, 1915.

The Federal Reserve Board has, upon petition of banks in that vicinity, designated the City of Nashville, Tenn., as a reserve city.

The population of Nashville according to the census of 1910 was 110,364.

The action taken was recommended by the Federal Reserve Agent at Atlanta, Georgia.

The combined deposits of the six (6) National banks in Nashville is stated in the petition as 20,077,907.

REQUIREMENTS FOR DESIGNATION.

The Board has adopted the following requirements as necessary before consideration will hereafter be given to the designation of any city as a reserve city:

> A population of at least 50,000; combined capital and surplus of national banks in the applying city of not less than \$3,000,000, with deposits of not less than \$10,000,000; endorsement of the application by at least fifty (50) national banks located outside of the applying city who will state that they are carrying or intend to carry upon such designation, accounts with a national bank in the applying city. Applications will be referred for report and recommendation to the Federal Reserve Bank of the district in which the applying city is located, whose chairman shall certify the names of the national banks endorsing the application.

Acceptances Purchased by Federal Reserve Banks.

In the statement of the Federal Reserve Banks for the week ended February 26th, the item of "Loans and Discounts" included the purchase of acceptances by the Reserve Banks of New York, Boston and Philadelphia to an amount of \$1,900,000. These were purchased at the discount rate of 2 to 4 per cent. and were of 60 and 90-day maturities.

This item is of particular interest since it is the first purchase by the Federal Reserve Banks of a class of paper which in the future promises to be one of the large items in the resources of the system.

Transfer of Government Deposits.

The Secretary of the Treasury has begun the transfer of funds from depositaries to the Federal Reserve Banks which under the act are to be the fiscal agents of the government.

The transfer now being made are of funds taken from widely separated districts. It is, however, expected that the movement will continue until all government funds on deposit are lodged in the Federal Reserve Banks. The completion of this change will probably require several months since it is said that the plan does not contemplate any sudden or drastic shifting from present locations.

National Banks Approved as Trustees, Administrators, Registrars, Etc.

The National Metropolitan Bank of Washington, D. C., American National Bank of Richmond, Va., and the Peoples National Bank of Charlottesville, Va., were the first banks to receive authority to act as trustees, administrators, registrars of stocks, etc., under the Federal Reserve Act. On the following day the National Valley Bank of Staunton, Va., received similar authority.

Application for Transfer to the Chicago District.

There has been filed with the Federal Reserve Board an application on the part of the banks in eastern Wisconsin to be detached from the Federal Reserve District of Minneapolis and annexed to the Federal Reserve District of Chicago.

The participating counties are: Ashland, Iron, Price, Vilas, Onaida, Taylor, Lincoln, Forest, Florence, Marinette, Langlade, Clark, Marathon, Shawano, Oconto, Door, Kewaunee, Brown, Manitococ, Outagamie, Waupaca, Portage, Wood, Jackson, Monroe, Juneau, Adams, Waushara, Fond du Lac, Sheboygan, Marquette, Green Lake, Winnebago and Calumet, a total of 34 counties.

Rediscounts.

The following statement was issued by the Federal Reserve Board on March 10th:

In view of the possibility of an early demand for rediscounts between Federal Reserve Banks, the Federal Reserve Board today fixed a rate of rediscount for the present between Federal Reserve Banks of three and one-half per cent. for paper up to thirty days and four per cent. for paper of maturities over thirty days and up to ninety days.

All applications for rediscounts are to be filed with the Federal Reserve Board, the Board reserving the right to apportion the applications for rediscount among other Federal Reserve Banks.

WILLIS, *Secretary.*

Discount Rate on March 31st.

The rates in force on March 31st, at the different Federal Reserve Banks were as follows:

Class of Paper	Boston	New York	Philadelphia	Cleveland
30 days...	4	4	4	4
60 days...	4	4	4	4
90 days...	4½	4	4½	4½
Longer....		5	5	5
	Richmond	**Atlanta**	**Chicago**	**St. Louis**
30 days...	4½	4½	4	4
60 days...	4½	4½	4	4
90 days...	4½	5	4½	4½
Longer....	5	5	5	5½
	Minneapolis	**Kansas City**	**Dallas**	**San Francisco**
30 days...	4	4	4	4
60 days...	4½	4	4	4
90 days...	5	4½	4½	4½
Longer....	5½	5½	5	6

The rate for acceptances in Boston, New York, Chicago and Minneapolis are announced by the Federal Reserve Board as—minimum, 2%—maximum, 4%.

THE NATIONAL CITY BANK OF NEW YORK.

The National City Bank of New York

1812 —— 1915

CONDENSED STATEMENT

CLOSE OF BUSINESS TUESDAY, MARCH 30th, 1915

RESOURCES:

Loans and Investments,		$235,755,860.66
Due from Banks,		22,150,308.81
Exchanges for Clearing House and Cash Items,		26,526,789.16
Cash,	$115,640,365.09	
Deposit in Federal Reserve Bank,	29,806,397.95	145,446,763.04
		$429,879,721.67

LIABILITIES:

Capital,	$25,000,000.00
Surplus and Undivided Profits,	36,159,509.01
Circulation,	3,562,750.00
Deposits,	345,077,843.31
Other Liabilities,	20,079,619.35
	$429,879,721.67

THE NATIONAL CITY BANK
OF NEW YORK

THE ISSUES OF BONDS DESCRIBED IN THIS OFFERING HAVE BEEN CAREFULLY INVESTIGATED BY US AND ARE RECOMMENDED TO CONSERVATIVE INVESTORS.

THESE SECURITIES HAVE A BROAD AND ACTIVE MARKET AND WE BELIEVE AT PRESENT PRICES OFFER ATTRACTIVE INVESTMENTS.

DETAILED INFORMATION IN REGARD TO ANY SECURITY WILL BE FURNISHED UPON REQUEST.

THE NATIONAL CITY BANK OF NEW YORK

APRIL
1915

STATE OF NEW YORK

$27,000,000 4¼% Gold Bonds

$12,000,000 issued for Canal Purposes mature January 1, 1965.
10,000,000 issued for Highway Purposes mature March 1, 1965.
5,000,000 issued for Barge Terminals mature January 1, 1945.

Coupon bonds in denomination of $1,000, or registered bonds in denominations of $1,000, $5,000, $10,000 or $50,000.

Interest payable semi-annually in New York City.

Security. These Bonds are secured by a direct general credit obligation of the State of New York. The Comptroller officially advises that no further public sale of New York State bonds is contemplated during the year 1915. The constitution and Laws of the State require the establishment of Sinking Funds sufficient to retire these Bonds at maturity.

FINANCIAL STATEMENT (as officially reported)

Assessed valuation, 1915		$11,385,137,127.00
Total Debt including this issue	$186,260,660.00	
Less Sinking Funds	36,953,164 04	
Net Debt		149,307,495 96

Net Funded Debt less than 1⅓% of assessed valuation
Population 1910 Federal Census . . 9,113,614

Exempt from Federal Income Tax and New York State Tax. Legal Investment for savings banks and trust funds in State of New York and elsewhere. Acceptable as security for postal savings deposits; also acceptable to the State of New York as security for State Deposits, to the Superintendent of Insurance to secure policy holders, and to the Superintendent of Banks in trust for banks and trust companies.

PRICE: 104¼ and accrued interest.

THE PENNSYLVANIA RAILROAD COMPANY

Consolidated Mortgage 4½% Gold Bonds

Issued and Outstanding, $49,000,000

Dated February 1, 1915. Due August 1, 1960.
Interest payable February 1 and August 1.

Coupon bonds, $1,000 each, may be registered as to principal only, or exchanged for fully registered bonds.

Security. These Bonds are secured by first mortgage on the main line and certain branches of The Pennsylvania Railroad Company between Philadelphia and Pittsburgh (except 52.57 miles operated under a 999 year lease from 1861 pledged under the mortgage); also by general lien, subject to $54,334,500 underlying bonds, on additional mileage. The Company's leasehold interest in the lines of the United New Jersey Railroad & Canal Company extending from Jersey City to Trenton and Camden, N. J. (except a small branch and some real estate connected therewith); its terminals and yards in Philadelphia, Pittsburgh and other places in Pennsylvania; its rolling stock, shops and other railroad equipment; and valuable securities are pledged under the mortgage.

This issue makes a total of $100,000,000 of bonds outstanding under the mortgage (figuring sterling at $5 per pound) bearing various rates of interest. No bonds in addition to this amount may be at any time outstanding.

Legal Investment for savings banks and trust funds in New York, Massachusetts, New Jersey, Connecticut and elsewhere.

Junior Securities. The Pennsylvania Railroad has outstanding junior to these Bonds $499,203,600 Capital Stock on which dividends have been paid at a rate of not less than 6% per annum since 1900.

Earnings. Income Statement, The Pennsylvania Railroad Company:

Years ended December 31,	1913	1914
Income available for interest, rentals, etc.,	$57,712,898	$51,792,223
Interest, rentals, etc.,	15,792,065	17,701,458

PRICE: 104 and interest, to yield 4.29%.

THE NEW YORK CENTRAL AND HUDSON RIVER RAILROAD COMPANY

Thirty-Year 4% Gold Debenture (now Mortgage) Bonds

Dated May 12, 1904. Due May 1, 1934.
Interest payable May 1 and November 1.

Closed Issue.
Outstanding, $48,000,000.

Coupon bonds, $1,000 each, and registered bonds interchangeable.

Security. These Bonds, although originally issued as Debenture obligations, are now specifically secured, under the Company's new Consolidation Mortgage, by a general mortgage upon the entire railroad formerly owned by The New York Central and Hudson River Railroad Company, now owned by its successor, The New York Central Railroad Company, and by pledge of leasehold interests in the New York & Harlem, West Shore, Beech Creek and other lines which go to make up the New York Central System east of Buffalo.

Junior Securities. There are outstanding, junior to this issue, $40,000,000 Refunding and Improvement Mortgage 4½s, also $100,000,000 Convertible Debenture 6s and about $225,000,000 Capital Stock of The New York Central Railroad Company. This Company was formed December 23, 1914 to consolidate the properties of The New York Central and Hudson River Railroad Company, and of The Lake Shore and Michigan Southern Railway Company and other subsidiaries. Provision has been made for the exchange of their stocks for shares of the new corporation. Dividends averaging over 5% per annum, were paid regularly on The New York Central and Hudson River Railroad Company Stock from 1870 to date of consolidation. Dividends are being paid on the Stock of The New York Central Railroad Company at the rate of 5% per annum

Earnings. Income Statement, The New York Central and Hudson River Railroad Company:

Years ended December 31,	1913	1914
Income available for interest, rentals, etc.,	$39,581,056	$36,674,325
Interest, rentals, etc.,	26,337,497	27,985,652

PRICE: 85½ and interest, to yield 5.21%.

GOVERNMENT OF THE ARGENTINE NATION

Six Per Cent. Gold Notes

Issued and Outstanding, $15,000,000

Dated December 15, 1914.
Coupon notes in denomination of $1,000.
Interest payable June 15 and December 15.

Due Series "A" $5,000,000 Dec. 15, 1915.
Series "B" $5,000,000 Dec. 15, 1916.
Series "C" $5,000,000 Dec. 15, 1917.

Principal and Interest payable in U. S. gold dollars at The National City Bank of New York.
Exempt from all Argentine Taxes.

Redeemable at 101 and interest on any interest date on ninety days' published notice.

Security. The Notes are issued under authority of Law No. 9,468 of January 16, 1914, and are the direct general obligation of the Argentine Government, whose faith and credit are pledged for the prompt payment of the principal and semi-annual interest as they severally fall due There will be embodied in the text of each Note the following agreement:

"The Government of the Argentine Nation covenants that during the life of this loan no more favorable conditions as to security will be given any other loan of the Government of the Argentine Nation without equally securing this loan both as to principal and interest."

Only one issue of Argentine Government Bonds has a specific lien upon import duties. The total interest and sinking fund charges on this issue amounted to only $2,453,230 in 1913, or less than 3 per cent. of the total ($84,540,316) import duties.

The total external and internal funded debt of the Argentine on December 31, 1913, was $525,493,137. The amortization payments for 1913 amounted to $9,793,171, and the interest to $24,640,515, a total of $34,433,686 for the service of the debt. As the national revenues in that year aggregated $148,266,329, the interest charges consumed but 16⅔ per cent. and the total debt service only 23.3 per cent. of the total revenues.

The population of the Argentine on December 31, 1913, according to official estimate, amounted to 7,704,396. The preliminary indications from the census taken in June, 1914, are that this estimate was too low and that the present population of Argentine is over 9,000,000. Buenos Aires, the capital of the Republic, with a population, as shown by the 1914 Census, of 1,560,163, is the fourth largest city in North and South America. The area of the Argentine comprises 738,000,000 acres Superimposed upon the United States it would cover the entire region east of the Mississippi River plus the State of Texas.

PRICE: **Series "A" Notes at market, to yield about 5.18%.**
Series "B" Notes at market, to yield about 5.76%.
Series "C" Notes at market, to yield about 5.84%.

DOMINICAN REPUBLIC

6% Sinking Fund Treasury Gold Notes

Authorized, $1,500,000 **Amortized, $565,000** **Outstanding, $935,000**

Dated January 1, 1913. Due (See Amortization).
Interest payable January 1 and July 1.

Coupon notes, $1,000 each, may be registered as to principal only.

Redeemable for the amortization fund on any interest date at par and interest in the order of their numerical sequence.

Security. These Treasury Notes are a direct general credit obligation of the Dominican Republic. The payment of the semi-annual interest installments and the amortization of the principal of the issue are specifically secured by pledge of $30,000 monthly from the customs receipts of the Republic. These customs receipts have been as follows during the last five calendar years available:

1909	1910	1911	1912	1913
$2,924,014	$3,121,642	$3,388,184	$3,565,545	$4,165,817

The total fixed charges for the service of the public debt, including this issue, now amount to only $1,560,000 per annum. The total customs collections of the Dominican Republic from all sources amounted to $3,470,645 in 1911, $3,642,861 in 1912, $4,246,142 in 1913, and $3,082,078 in 1914.

The finances of the Dominican Republic have been under the supervision of the United States since 1907, when an agreement was entered into, in accordance with which the United States undertook to adjust the Republic's foreign obligations and to assume charge of the customs houses, and the Dominican Republic agreed not to create any further government debt (beyond the $20,000,000 of Dominican Republic 5% Customs Administration Sinking Fund Bonds then authorized) without the approval of the United States Government. The State Department of the United States signified its approval of the issuance of these Treasury Notes.

Amortization. The monthly payments of $30,000 (authorized by the National Congress of the Dominican Republic in December, 1912) are made direct to The National City Bank of New York, and on each semi-annual interest date the accumulated monthly installments are devoted to the payment of matured interest and to the retirement of a portion of the principal at par. Although the nominal maturity of the issue is January 1, 1919, this plan of amortization by numerical sequence makes the 6% Treasury Notes in effect a serial issue, and it is estimated that the entire issue will have been retired by January 1, 1918.

We offer the Notes which it is expected the amortization fund will redeem on July 1, 1916 and January 1, 1917.

PRICE: **100 and interest, to yield 6%.**

THE NATIONAL CITY BANK OF NEW YORK

The above information has been compiled from official statements and statistics upon which we have relied in our purchase of these securities. We do not guarantee, but believe it to be correct.

All offerings are subject to prior sale and change in price.

IN ADDITION TO THE SECURITIES SPECIFICALLY OFFERED HEREWITH WE ARE AT ALL TIMES PREPARED TO PURCHASE OR SELL:

UNITED STATES BONDS
TERRITORIAL "
NEW YORK STATE "
NEW YORK CITY "

WE SHALL BE PLEASED TO NAME FIRM PRICES ON THESE ISSUES UPON WRITTEN OR TELEGRAPHIC REQUEST.

STATEMENT OF THE MEMBERS OF THE NEW

FROM REPORTS AS REQUIRED UNDER ART

For Week Ending Saturda

Nos.	CLEARING HOUSE MEMBERS	*CAPITAL	*NET PROFITS	Loans, Disc'nts Investments etc. Average	GOLD Average	LEGAL TENDERS Average	SILVER Average	Nat'l Bank [counted reserve for Institutio Avera
	MEMBERS OF FEDERAL RESERVE BANK							
1	Bank of New York N. B. A..	$2,000,000	$4,609,300	$29,350,000	$1,635,000	$ 655,000	$ 989,000	....
3	Merchants' National Bank....	2,000,000	2,114,700	24,796,000	1,255,000	395,000	1,329,000	....
4	Mech. & Metals Nat. Bank....	6,000,000	9,033,200	98,416,000	11,826,000	470,000	2,737,000	....
8	National City Bank...........	25,000,000	35,818,900	223,608,000	62,724,000	28,912,000	20,795,000	....
12	Chemical National Bank......	3,000.000	7,902,800	33,095,000	1,295,000	696,000	1,376,000	....
13	Merchants' Exch. Nat. Bank..	1,000,000	776,900	9,871,000	821,000	157,000	287,000	....
15	Nat. Butchers & Drovers Bk..	300,000	73,500	2,068,000	60,000	37,000	130,000	....
21	American Exch. Nat. Bank...	5,000,000	5,123,800	64,772.000	4,212,000	1,138,000	2,550,000	....
23	National Bank of Commerce..	25,000,000	17,558,500	161,988,000	10,779,000	2,793,000	3,339,000	....
30	Chatham & Phenix Nat'l Bk..	2,250,000	1,437,600	26,709.000	1,377,000	576,000	975,000	....
33	Hanover National Bank......	3,000,000	15,352,600	95,453,000	12,836,000	1,144,000	2,945,000	....
36	Citizen's Central Nat. Bank...	2,550,000	2,489,600	25,027,000	1,172,000	156,000	1,293,000	....
42	Market & Fulton Nat. Bank...	1,000,000	2,000,900	8,715,000	855,000	949,000	756,000	....
53	Importers & Traders' Nat. Bk.	1,500,000	7,653,400	28,719,000	1,206,000	1,155,000	605,000	....
54	National Park Bank..........	5,000,000	15,392,800	111,744,000	6,738,000	827,000	4,673,000	....
59	East River National Bank....	250,000	59,800	2,022,000	57,000	41,000	150,000	....
63	Second National Bank........	1,000,000	3,119,900	15,645,000	962,000	259,000	448,000	....
65	First National Bank..........	10,000,000	22,491,300	119,678,000	23,999,000	1,658,000	3,679,000	....
67	Irving National Bank........	4,000,000	3,797,400	49,779,000	5,682,000	2,010,000	3,089,000	....
71	N. Y. County Nat. Bank......	500,000	1,418,300	9,677,000	574,000	158,000	488,000	....
74	Chase National Bank.........	5,000,000	9,703,300	129,649,000	10,497,000	3,031,000	2,535,000	....
80	Lincoln National Bank........	1,000,000	1,888,100	15,386,000	966,000	671,000	1,268,000	....
81	Garfield National Bank.......	1,000,000	1,257,300	8,752,000	669,000	164,000	717,000	....
82	Fifth National Bank	25c 000	415 300	4,343,000	101,000	101,000	293,000	....
85	Seaboard National Bank......	1,000,000	2,809,600	28 899,000	2,655,000	904,000	2,228,000	....
91	Liberty National Bank........	1,000,000	2,896,000	30,864,000	1,642,000	894,000	1,551,000	....
99	Coal and Iron Nat'l Bank....	1,000,000	643,400	6,649,000	930,000	133,000	245,000	....
100	Union Exch. National Bank..	1,000,000	969,600	9,857,000	112,000	268,000	736,000	....
118	Nassau Nat'l Bk., Brooklyn...	1,000,000	1,126,000	8,611,000	261,000	158,000	509,000	....
	STATE BANKS NOT MEMBERS OF FEDERAL RESERVE BANK							
2	Bank of the Manhattan Co...	2,050,000	4,882,400	42,100,000	7,698,000	2,407,000	1,116,000	$
6	Bank of America.............	1,500,000	6,194,100	30,041,000	3,276,000	1,585,000	912,000	
17	Greenwich Bank	500,000	1,162,300	10,311,000	908,000	200,000	682,000	
28	Pacific Bank	500,000	995,300	4,963,000	290,000	705,000	89,000	
31	People's Bank	200,000	453,900	2,160,000	170,000	82,000	125,000	
44	Metropolitan Bank	2,000,000	1,894,200	12,071,000	818,000	755,000	729,000	
45	Corn Exchange Bank........	3,500,000	7,225,400	71,362,000	6,686,000	2,469,000	3,799,000	1,
70	Bowery Bank	250.000	765,100	3,543,000	296,000	27,000	50,000	
72	German-American Bank	750,000	691,100	4,602,000	558,000	120,000	89,000	
76	Fifth Avenue Bank..........	100,000	2,296,200	14,426 000	1,631,000	545,000	919,000	
77	German Exchange Bank......	200,000	812,900	3,585,000	476,000	78,000	139,000	
78	Germania Bank	200,000	1,012,700	5,797,000	565,000	93,000	137,000	
83	Bank of the Metropolis.......	1,000,000	2,137,000	12,865,000	1,416,000	476,000	1,253,000	
84	West Side Bank.............	200,000	698,800	4,524,000	298,000	215,000	153,000	
92	N. Y. Produce Exch. Bank....	1,000,000	929,400	11,386,000	[illegible],677,000	440,000	588,000	
96	State Bank	1,500,000	472,400	17,695,000	1,176,000	439,000	733,000	
97	Security Bank	1,000,000	301,300	10,307,000	601,000	84,000	319,000	
	TRUST COMPANIES NOT MEMBERS OF							

NEW YORK CLEARING HOUSE ASSOCIATION

ER ARTICLE III OF THE CONSTITUTION.

turday, April 3, 1915.

	Nat'l Bank Notes [counted as reserve for State Institutions.] Average	Natl Bank Notes [not counted as reserve.] Average	Federal Reserve Bank Notes [not counted as reserve.] Average	Reserve with Legal Depositaries Average	Excess Due from Reserve Depositaries Average	NET DEMAND DEPOSITS Average	NET TIME DEPOSITS Average	National Bank Circulation Average	Nos.
0	......	$ 3,000	......	$1,999,000	......	$26,224,000	$910,000	$800,000	1
0	......	15,000	$46,000	1,751,000	......	23,590,000	......	1,966,000	3
0	......	149,000	18,000	7,024,000	......	98,175,000	2,846,000	5,000,000	4
0	......	257,000	500,000	30,040,000	......	301,054,000	292,000	3,563,000	8
0	......	51,000	......	2,145,000	......	27,376,000	......	449,000	12
0	......	37,000	......	771,000	......	9,670,000	82,000	496,000	13
0	......	10,000	......	133,000	......	1,650,000	172,000	50,000	15
0	......	272,000	24,000	5,137,000	......	63,623,000	792,000	3,814,000	21
0	......	131,000	42,000	11,633,000	......	144,276,000	......	4,385,000	23
0	......	137,000	37,000	1,815,000	......	26,480,000	221,000	1,199,000	30
00	......	29,000	33,000	7,343,000	......	101,166,000	......	305,000	33
00	......	58,000	28,000	1,799,000	......	21,606,000	1,223,000	1,655,000	36
00	......	103,000	2,000	852,000	......	9,137,000	......	146,000	42
00	......	8,000	......	1,817,000	.....	24,197,000	112,000	50,000	53
00	......	128,000	......	8,105,000	.....	108,148,000	250,000	3,580,000	54
00	......	10,000	......	134,000	......	1,819,000	......	50,000	59
00	......	62,000	24,000	1,001,000	......	12,773,000	......	685,000	63
00	......	58,000	2,000	8,668,000	......	120,428,000	......	5,077,000	65
00	......	26,000	75,000	4,164,000	......	56,209,000	96,000	740,000	67
00	......	121,000	5,000	650,000	......	9,541,000	......	200,000	71
00	......	3,000	100,000	9,987,000	......	140,254,000	648,000	450,000	74
00	......	175,000	74,000	1,107,000	......	15,547,000	30,000	890,000	80
00	......	63,000	7,000	725,000	......	8,573,000	......	350,000	81
00	......	15,000	......	325,000	......	4,537,000	32,000	250,000	82
00	......	13,000	14,000	2,481,000	......	33,436,000	......	405,000	85
00	......	20,000	44,000	2,560,000	......	31,792,000	1,250,000	500,000	91
00	......	21,000	1,000	514,000	......	6,888,000	......	400,000	99
00	......	35,000	......	658,000	......	9,262,000	88,000	400,000	100
00	......	31,000	......	573,000	......	7,908,000	13,000	267,000	118
00	$155,000	......	......	......	......	47,070,000	......	....	2
00	54,000	......	......	......	......	28,128,000	......	.....	6
00	228,000	......	......	379,000	......	10,963,000	56,000	......	17
00	175,000	......	......	......	......	4,697,000	......	......	28
00	20,000	......	1,000	......	......	2,191,000	5,000	......	31
00	78,000	......	2,000	......	......	10,461,000	......	.....	44
00	1,217,000	......	......	3,000,000	......	78,790,000	......	.....	45
000	49,000	......	......	188,000	140,000	3,131,000	......	......	70
000	15,000	......	......	200,000	......	4,487,000	......	......	72
000	68,000	......	......	......	......	14,888,000	......	......	76
000	67,000	......	......	207,000	823,000	3,456,000	......	......	77
000	85,000	......	......	205,000	......	5,650,000	......	......	78
000	229,000	......	......	......	......	12,989,000	......	......	83
000	28,000	......	......	150,000	......	4,543,000	......	......	84
000	139,000	......	......	......	......	12,368,000	......	......	92
000	582,000	......	......	1,100,000	133,000	19,588,000	4,000	......	96
000	169,000	......	......	577,000	1,858,000	9,624,000	3,191,000	......	97

81	Garfield National Bank.......	1,000,000	1,257,300	6,752,000	[illegible]	104,000	[illegible]
82	Fifth National Bank	250 000	415 300	4,343,000	101,000	101,000	293,00
85	Seaboard National Bank......	1,000,000	2,809,600	28 899,000	2,655,000	904,000	2,228,00
91	Liberty National Bank........	1,000,000	2,896,000	30,864,000	1,642,000	894,000	1,551,00
99	Coal and Iron Nat'l Bank....	1,000,000	643,400	6,649,000	930,000	133,000	245,00
100	Union Exch. National Bank..	1,000,000	969,600	9,857,000	112,000	268,000	736,00
118	Nassau Nat'l Bk., Brooklyn...	1,000,000	1,126,000	8,611,000	261,000	158,000	509,00
	STATE BANKS NOT MEMBERS OF FEDERAL RESERVE BANK						
2	Bank of the Manhattan Co...	2,050,000	4,882,400	42,100,000	7,698,000	2,407,000	1,116,00
6	Bank of America.............	1,500,000	6,194,100	30,041,000	3,276,000	1,585,000	912,00
17	Greenwich Bank	500,000	1,162,300	10,311,000	908,000	200,000	682,00
28	Pacific Bank	500,000	995,300	4,963,000	290,000	705,000	89,00
31	People's Bank	200,000	453,900	2,160,000	170,000	82,000	125,00
44	Metropolitan Bank	2,000,000	1,894,200	12,071,000	818,000	755,000	729,00
45	Corn Exchange Bank........	3,500,000	7,225,400	71,362,000	6,686,000	2,469,000	3,799,00
70	Bowery Bank	250,000	765,100	3,543,000	296,000	27,000	50,00
72	German-American Bank	750,000	691,100	4,602,000	558,000	120,000	89,00
76	Fifth Avenue Bank..........	100,000	2,296,200	14,426 000	1,631,000	545,000	919,00
77	German Exchange Bank......	200,000	812,900	3,585,000	476,000	78,000	139,00
78	Germania Bank	200,000	1,012,700	5,797,000	565,000	93,000	137,00
83	Bank of the Metropolis.......	1,000,000	2,137,000	12,865,000	1,416,000	476,000	1,253,00
84	West Side Bank..............	200,000	698,800	4,524,000	298,000	215,000	153,00
92	N. Y. Produce Exch. Bank....	1,000,000	929,400	11,386,000	[illegible],677,000	440,000	588,00
96	State Bank	1,500,000	472,400	17,695,000	1,176,000	439,000	733,00
97	Security Bank	1,000,000	301,300	10,307,000	601,000	84,000	319,00
	TRUST COMPANIES NOT MEMBERS OF FEDERAL RESERVE BANK						
[illegible]	Brooklyn Trust Co...........	1,500,000	3,361,000	30,563,000	1,495,000	199,000	626,00
[illegible]	*Bankers Trust Co............	10,000,000	12,816,400	153,628,000	12,717,000	183,000	166,00
[illegible]	U. S. Mortgage & Trust Co...	2,000,000	4,265,300	42,206,000	2,664,000	31,000	237,00
105	Astor Trust Co..............	1,250,000	1,107,900	21,120,000	1,185,000	18,000	150,00
106	Title Guarantee & Trust Co..	5,000,000	11,605,600	34,578,000	1,632,000	114,000	170,00
107	Guaranty Trust Co...........	10,000,000	22,727,800	231,866,000	13,599,000	1,833,000	1,205,00
108	Fidelity Trust Co............	1,000,000	1,304,200	8,129,000	399,000	126,000	126,00
110	Lawyers Title and Trust Co,....	4,000,000	5,067,700	20,869,000	1,045,000	236,000	59,00
111	Columbia Trust Company.......	2,000,000	7,311,100	59,050,000	3,349,000	208,000	372,00
113	Peoples Trust Co.............	1,000,000	1,419,500	17,979,000	1,121,000	81,000	301,00
114	New York Trust Co..........	3,000,000	11,618,100	44,907,000	3,136,000	139,000	46,00
115	Franklin Trust Co...........	1,000,000	1,090,900	14,659,000	604,000	176,000	207,00
116	Lincoln Trust Co............	1,000,000	526,600	10,996,000	599,000	44,000	275,00
117	Metropolitan Trust Co.......	2,000,000	6,103,400	36,021,000	2,055,000	1,256,000	583,00
119	Broadway Trust Co...........	1,500,000	894,600	14,827,000	1,026,000	76,000	448,00
	TOTALS:						
	Members Federal Reserve Bank .	112,600,000	179,933,800	1,384,142,000	167,898,000	50,510,000	62,715,00
	State Banks	16,450,000	32,924,500	261,738,000	28,540,000	10,720,000	11,832,00
	Trust Companies	46,250,000	91,220,100	741,398,000	46,626,000	4,720,000	4,971,00
	Aggregate, 61 Members.......	175,300,000	304,078,400	2,387,278,000	243,064,000	65,950,000	79,518,00
	COMPARISONS....................			Decrease	Increase	Increase	Decrease
				2,825,000	13,183,000	637,000	4,385,00

*As per official reports.
29 National, March 4, 1915.
17 State, March 19, 1915.
15 Trust Co's, March 19, 1915.

Rese

Members Federal Reserve Bank:	Cash Reserve in Vault:	$281,123,000	Reserve in Depositaries,	$115,911,000
State Banks:	" " "	54,450,000	" " "	6,006,000
Trust Companies:	" " "	59,066,000	" " "	28,397,000
Totals	" " "	$394,639,000	" " "	$150,314,000

ACTUAL CONI

TOTALS:						
Members Federal Reserve Bank .			1,388,061,000	166,126,000	51,648,000	61,194,00
State Banks..................			262,918,000	29,227,000	10,173,000	11,844,00
Trust Companies			748,063,000	47,220,000	3,423,000	5,648,00
Aggregate, 61 Members........			2,399,042,000	242,573,000	65,244,000	78,686,00
COMPARISONS....................			Increase	Increase	Decrease	Decrease
			14,222,000	3,688,000	966,000	4,401,00

Res

Members Federal Reserve Bank:	Cash Reserve in Vault:	$278,968,000	Reserve in Depositaries,	$118,676,000
[illegible]	" " "	[illegible]	" " "	6,214,000

[illegible]	......	[illegible]	[illegible]	[illegible]	......	[illegible]	......	[illegible]	81
293,000	......	15,000	......	325,000	......	4,537,000	32,000	250,000	82
2,228,000	......	13,000	14,000	2,481,000	......	33,436,000	......	405,000	85
1,551,000	......	20,000	44,000	2,560,000	......	31,792,000	1,250,000	500,000	91
245,000	......	21,000	1,000	514,000	......	6,888,000	......	400,000	99
736,000	......	35,000	......	658,000	......	9,262,000	88,000	400,000	100
509,000	......	31,000	......	573,000	......	7,908,000	13,000	267,000	118
1,116,000	$155,000	......	......	......	......	47,070,000	......	....	2
912,000	54,000	......	......	......	......	28,128,000	......	... ..	6
682,000	228,000	......	......	379,000	......	10,963,000	56,000	......	17
89,000	175,000	......	......	......	......	4,697,000	......	......	28
125,000	20,000	......	1,000	......	......	2,191,000	5,000	......	31
729,000	78,000	......	2,000	......	......	10,461,000	......	.....	44
3,799,000	1,217,000	......	......	3,000,000	......	78,790,000	......	.....	45
50,000	49,000	......	......	188,000	140,000	3,131,000	......	......	70
89,000	15,000	......	......	200,000	......	4,487,000	......	......	72
919,000	68,000	......	......	......	......	14,888,000	......	......	76
139,000	67,000	......	......	207,000	823,000	3,456,000	......	......	77
137,000	85,000	......	......	205,000	......	5,650,000	......	......	78
1,253,000	229,000	......	......	......	......	12,989,000	......	......	83
153,000	28,000	......	......	150,000	......	4,543,000	......	......	84
588,000	139,000	......	......	......	......	12,368,000	......	......	92
733,000	582,000	......	......	1,100,000	133,000	19,588,000	4,000	......	96
319,000	169,000	......	......	577,000	1,858,000	9,624,000	3,191,000	......	97
626,000	149,000	......	25,000	1,199,000	2,028,000	23,998,000	4,291,000	......	102
166,000	18,000	......	9,000	6,472,000	8,342,000	129,445,000	27,253,000	......	103
237,000	298,000	......	......	1,608,000	4,376,000	32,157,000	8,569,000	......	104
150,000	243,000	......	......	839,000	1,889,000	16,746,000	4,362,000	......	105
170,000	200,000	......	11,000	1,007,000	4,788,000	20,144,000	743,000	......	106
1,205,000	523,000	......	......	8,436,000	7,126,000	168,705,000	24,804,000	......	107
126,000	22,000	......	......	329,000	338,000	6,661,000	165,000	......	108
59,000	31,000	......	7,000	667,000	404,000	13,345,000	529,000	......	110
372,000	336,000	......	12,000	2,082,000	3,209,000	41,649,000	13,385,000	......	111
301,000	225,000	......	5,000	873,000	1,901,000	17,458,000	679,000	......	113
46,000	3,000	......	47,000	1,549,000	5,321,000	30,972,000	4,110,000	......	114
207,000	143,000	......	6,000	589,000	1,013,000	11,778,000	2,386,000	......	115
275,000	69,000	......	10,000	496,000	633,000	9,918,000	1,055,000	......	116
583,000	172,000	......	7,000	1,503,000	1,955,000	30,059,000	3,697,000	......	117
448,000	317,000	......	......	748,000	2,609,000	14,954,000	28,000	......	119
62,715,000	......	2,041,000	1,076,000	115,911,000	......	1,445,339,000	9,057,000	38,122,000	
11,832,000	3,358,000	......	3,000	6,006,000	2,954,000	273,024,000	3,256,000	......	
4,971,000	2,749,000	......	139,000	28,397,000	45,932,000	567,989,000	98,056,000	......	
79,518,000	6,107,000	2,041,000	1,218,000	150,314,000	48,886,000	2,286,352,000	110,369,000	38,122,000	
Decrease	Decrease	Decrease	Decrease	Increase	Decrease	Increase	Increase	Decrease	
4,385,000	554,000	52,000	104,000	631,000	4,617,000	11,773,000	3,522,000	509,000	

Reserve required on Net Demand Deposits, - -	$260,161,020			
" " " Time " - -	452,850			
" " " Demand and Time Deposits,	260,613,870	Excess, $136,420,130	Increase,	$10,081,820
" " " " Deposits, - -	49,144,320	Excess, 11,311,680	Decrease,	2,775,760
" " " " " - -	85,198,350	Excess, 2,264,650	Increase,	153,750
" " Total Net " - -	$394,956,540	Excess, $149,996,460	Increase,	$7,459,810

AL CONDITION THIS DAY

61,194,000	......	1,474,000	1,172,000	118,676,000	......	1,451,374,000	9,277,000	37,603,000
11,844,000	3,241,000	......	2,000	6,214,000	3,166,000	274,538,000	3,254,000	......
5,648,000	2,389,000	......	159,000	28,828,000	38,055,000	576,433,000	98,775,000	......
78,686,000	5,630,000	1,474,000	1,333,000	153,718,000	41,221,000	2,302,345,000	111,306,000	37,603,000
Decrease	Decrease	Decrease	Increase	Increase	Decrease	Increase	Increase	Decrease
4,401,000	1,729,000	848,000	228,000	5,969,000	14,639,000	25,252,000	2,381,000	1,020,000

Reserve required on Net Demand Deposits, - -	$261,247,320			
" " " Time " - -	463,850			
" " " Demand and Time Deposits,	261,711,170	Excess, $135,932,830	Increase,	$2,274,460
" " " " Deposits, - -	49,416,840	[illegible]	[illegible]	[illegible]

COMPARISONS			Decrease	Increase	Increase	Decrease
			2,825,000	13,183,000	637,000	4,385,

*As per official reports.
29 National, March 4, 1915.
17 State, March 19, 1915.
15 Trust Co's, March 19, 1915.

Re

Members Federal Reserve Bank:	Cash Reserve in Vault:	$281,123,000	Reserve in Depositaries,	$115,911,000
State Banks:	" " "	54,450,000	" " "	6,006,000
Trust Companies:	" " "	59,066,000	" " "	28,397,000
Totals	" " "	$394,639,000	" " "	$150,314,000

ACTUAL CON

TOTALS:						
Members Federal Reserve Bank			1,388,061,000	166,126,000	51,648,000	61,194,0
State Banks			262,918,000	29,227,000	10,173,000	11,844,0
Trust Companies			748,063,000	47,220,000	3,423,000	5,648,0
Aggregate, 61 Members			2,399,042,000	242,573,000	65,244,000	78,686,0
COMPARISONS			Increase	Increase	Decrease	Decrease
			14,222,000	3,688,000	966,000	4,401,0

Re

Members Federal Reserve Bank:	Cash Reserve in Vault:	$278,968,000	Reserve in Depositaries,	$118,676,000
State Banks:	" " "	54,485,000	" " "	6,214,000
Trust Companies:	" " "	58,680,000	" " "	28,828,000
Totals	" " "	$392,133,000	" " "	$153,718,000

Clearings for Week ending	April 3, 1915,	$1,869,566,436.49
" " "	March 27, 1915,	1,655,914,460.74
Clearings this Day	April 3, 1915,	208.573.957.25

						12,989,000	......	......	83
1,252,000	220,000	......	......	[illegible]	[illegible]	[illegible]	110,309,000	38,122,000	
Decrease	Decrease	Decrease	Decrease	Increase	Decrease	Increase	Increase	Decrease	
4,385,000	554,000	52,000	104,000	631,000	4,617,000	11,773,000	3,522,000	509,000	

Reserve required on Net Demand Deposits, - -	$260,161,020				
" " " Time " - -	452,850				
" " " Demand and Time Deposits,	260,613,870	Excess,	$136,420,130	Increase,	$10,081,820
" " " " Deposits, - -	49,144,320	Excess,	11,311,680	Decrease,	2,775,760
" " " " " - -	85,198,350	Excess,	2,264,650	Increase,	153,750
" " Total Net " - -	$394,956,540	Excess,	$149,996,460	Increase,	$7,459,810

AL CONDITION THIS DAY

61,194,000	......	1,474,000	1,172,000	118,676,000	......	1,451,374,000	9,277,000	37,603,000
11,844,000	3,241,000	......	2,000	6,214,000	3,166,000	274,538,000	3,254,000	......
5,648,000	2,389,000	......	159,000	28,828,000	38,055,000	576,433,000	98,775,000	......
78,686,000	5,630,000	1,474,000	1,333,000	153,718,000	41,221,000	2,302,345,000	111,306,000	37,603,000
Decrease	Decrease	Decrease	Increase	Increase	Decrease	Increase	Increase	Decrease
4,401,000	1,729,000	848,000	228,000	5,969,000	14,639,000	25,252,000	2,381,000	1,020,000

Reserve required on Net Demand Deposits, - -	$261,247,320				
" " " Time " - -	463,850				
" " " Demand and Time Deposits,	261,711,170	Excess,	$135,932,830	Increase,	$2,274,460
" " " " Deposits, - -	49,416,840	Excess,	11,282,160	Decrease,	2,692,980
" " " " " - -	86,464,950	Excess,	1,043,050	Decrease,	1,199,200
" " Total Net " - -	$397,592,960	Excess,	$148,258,040	Decrease,	$1,617,720

436.49	Balances for Week ending	April 3, 1915,	$112,503,150.14
460.74	" " "	March 27, 1915,	91,613,466.16
957.25	Balances this Day	April 3, 1915,	14,431,860.96